



The Special Assessment July 2025 Edition



2025 Virginia Legislative Update

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The 2025 Virginia General Assembly session saw a Democrat-controlled House and Senate facing off with the Republican-controlled Executive Branch, which resulted in a near record number of vetoes of bills by the Governor. Roughly 3,000 bills and resolutions were introduced. Of the approximately forty bills identified as potentially having an impact on planned

communities, only three bills amended common interest community statutes and became law on July 1, 2025.

Below are summaries of these approved bills that will impact community associations, along with comments on other legislation of which common interest communities should be aware – each of the bills discussed below went into effect July 1, 2025.

Bills Amending CIC Statutes.

Resale Certificates. *Senate Bill 808* and its companion *House Bill 1704* amended the Virginia Resale Disclosure Act to add an additional required statement pertaining to insurance in resale certificates provided by community associations. Now, in addition to a statement describing any insurance coverage provided by the association for the benefit of the owners and any insurance coverage recommended or required to be obtained by the owners, the resale certificate must also have a statement “indicating that the governing documents may make an owner responsible for payment of all or part of the deductible when making a claim against such insurance.” Effective July 1st, the Common Interest Community Board has changed the Resale Certificate form on its website to reflect this added new statement requirement (See Appendix 14 on page 15 of the Resale Certificate Form provided by the CICB).

<https://www.dpor.virginia.gov/sites/default/files/boards/CIC/A492-05RESALE.pdf>.

Also, in response to circumstances where requests for resale certificates are presented to associations prior to purchase contracts being signed, *House Bill 2110* was enacted to clarify that associations cannot require a seller or seller's agent to provide a purchaser's name as a prerequisite to preparing a resale certificate, nor can associations require that a purchaser's name be set out on a completed resale certificate.

Manager Release of Association Funds and Termination of Management Contracts. *House Bill 2750* (which incorporated *HB 2292*) amends the Virginia Condominium Act and Virginia Property Owners' Association Act on two points relative to the termination of management contracts. First, this bill added the requirement that, upon termination of a management contract, a common interest community manager must transfer and release all funds and close bank accounts maintained on behalf of an association within a reasonable time and without additional cost to the association. This basically tracks requirements already found in Va. Code 54.1-2353 relating to state regulation of common interest communities. Second, this bill clarified that, in circumstances where an association has authority to terminate a management contract containing an automatic renewal provision without cause, such termination will also be without penalty.

Other Bills to Consider

In addition to the above bills directly amending common interest community statutes, the General Assembly enacted other bills that could apply to certain associations or certain circumstances.

Dam Safety. *House Bill 2000* and its companion *Senate Bill 857* made several amendments to the Virginia Dam Safety Act pertaining to dam safety, flood prevention and dam owner rights and responsibilities, including reductions in the amount dam owners need to match for a grant from the Dam Safety, Flood Prevention and Protection Assistance Fund, and including significant potential monetary civil penalties for failure to timely correct deficiencies identified during safety inspection.

General District Court; Jurisdiction and Proceedings. *Senate Bill 1291* increased the jurisdictional limit for monetary claims made in general district courts in the Commonwealth from \$25,000 to \$50,000. As a result of this threshold increase, associations may now pursue higher value monetary claims (such as contract damages claims) in general district court versus circuit court where proceedings are more formal, and pretrial discovery can extend or delay the process significantly.

Also related to general district court proceedings, *Senate Bill 761* extends from 60 days to 90 days, the maximum time period within which a civil lawsuit can be served on the defendant before the first court date.

Tax Sale Proceedings. *House Bill 2362* amended several provisions in the Virginia Code pertaining to localities' foreclosure proceedings to effectuate tax sales. One potentially significant mandate of this bill requires all lienholders to be named defendants in proceedings for delinquent tax sales. Associations with assessment liens or judgment liens filed against a property subject to a delinquent tax sale should expect to be named as a defendant.

The "Off-Season" – Legislative Topics We Might See In 2026

Finally, it is important to understand that, while many bills failed in the General Assembly, some were assigned to the Virginia Housing Commission for study and/or are otherwise brought to our attention by interested stakeholder groups during the "off-season." These discussions are ongoing, and the language of any potential legislation is not formulated or finalized. But topics currently being considered or discussed include *conservation landscaping*; *HAM radios*; *bingo*; and *developer transition*. We may see bills related to these topics in the 2026 General Assembly.



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