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Exempt Action: Final Regulation Agency Background Document

Agency name	Board for Contractors
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC50-22
VAC Chapter title(s)	Board for Contractors Regulations
Action title	HB 1439/SB 823 Amendment (Solar Energy Systems Contracts)
Final agency action date	June 23, 2026
Date this document prepared	August 4, 2026

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

This action amends the Board for Contractors Regulations to conform to changes resulting from the enactment of Chapters [851](#) and [852](#) of the 2026 Acts of Assembly.

The legislation amends the enabling statute for the Board for Contractors (“the Board”), and requires the Board through regulation to require specific contract provisions and disclosures relating to the sale, lease, or power purchase agreement that a solar installation company, defined in the legislation as “...a licensee that contracts with residential customers to install residential solar energy systems, or to install solar energy systems owned by third parties from which customers lease solar energy systems or purchase electric energy generated by such systems...,” must include in such contracts. The legislation prescribes specific contract provisions and disclosures that are required for these types of transactions. The legislation further requires the Board to develop a disclosure form to be provided to customers for these types of transactions.

The regulatory amendment adds provisions to the regulation to conform applicable provisions of the regulation to the legislation. These amendments include (i) requirements for solar installation companies to include the specific provisions and disclosures mandated by § 54.1-1117.1 of the Code of Virginia, as applicable to the transaction type (i.e. sale, lease, or power purchase agreement); and (ii) a requirement for use of a Board-provided disclosure form for certain specified disclosures. These requirements are outlined in a new section, 18VAC50-22-265. In addition, 18VAC50-22-260, which provides for the Board's prohibited acts, is revised to include a prohibited act addressing failure to comply with 18VAC50-22-265.

This action is exempt from the Administrative Process Act under § 2.2-4006(A)(4)(a) of the Code of Virginia, which states, in part:

A. The following agency actions otherwise subject to this chapter and § 2.2-4103 of the Virginia Register Act shall be exempted from the operation of this article:

4. Regulations that are:

a. Necessary to conform to changes in Virginia statutory law or the appropriation act where no agency discretion is involved.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

In April 2026, the Governor approved Chapters [851](#) (HB 1439) and [852](#) (SB 823) of the 2026 Acts of Assembly, which amend Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1 of the Code of Virginia. The legislation mandates that "[i]n transactions involving a sale, lease, or power purchase agreement for a solar energy system, the Board shall require specific contract provisions and disclosures relating to such sale, lease, or power purchase agreement that a solar installation company is required to include pursuant to § 54.1-1117.1 [of the Code of Virginia]."

The second enactment clause in the legislation directs that by January 1, 2027, the Board "adopt regulations and update existing regulations to implement the provisions of this act, including regulations issuing a disclosure form to be provided in any transaction involving installers for a sale, lease, or power purchase agreement for a residential solar energy system, as defined in § 54.1-1117.1 of the Code of Virginia..."

The legislation became effective on July 1, 2026. The purpose of this regulatory change is to implement and comply with changes to the Code of Virginia resulting from the passage of HB 1439 and SB 823 during the 2026 General Assembly Session.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has "adopted final amendments" to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, "On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)]."

On June 23, 2026, the Board for Contractors adopted final amendments to the Board for Contractors Regulations.