

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB1889

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Price

3. Committee: General Laws

4. Title: Virginia Residential Landlord and Tenant Act; landlord remedies; noncompliance.

5. Summary: Removes the sunset date of July 1, 2021, from certain provisions enacted during the 2020 Special Session related to the Virginia Residential Landlord and Tenant Act. Such provisions (i) changed from five to 14 days the amount of time that a landlord who owns four or fewer rental dwelling units must wait after serving written notice on a tenant notifying the tenant of his nonpayment of rent and of the landlord's intention to terminate the rental agreement if rent is not paid before the landlord may pursue remedies for termination of the rental agreement; (ii) required a landlord who owns more than four rental dwelling units, or more than a 10 percent interest in more than four rental dwelling units, before terminating a rental agreement due to nonpayment of rent, to serve upon such tenant a written notice informing the tenant of the total amount due and owed and offer the tenant a payment plan under which the tenant must pay the total amount due and owed in equal monthly installments over a period of the lesser of six months or the time remaining under the rental agreement; (iii) outlined the remedies a landlord has if a tenant fails to pay the total amount due and owed or enter into a payment arrangement within 14 days of receiving notice or if the tenant enters into a payment arrangement but fails to pay within 14 days of the due date any rent that becomes due under the payment plan or arrangement after such plan or arrangement becomes effective; and (iv) clarified that a tenant is not precluded from participating in any other rent relief programs available to the tenant through a nonprofit organization or under the provisions of a federal, state, or local law, regulation, or action.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: The Department of Housing and Community Development has no oversight or administrative obligations regarding the Virginia Residential Landlord and Tenant Act. The department does update and publish on its website the Landlord Tenant Handbook. Any legislative changes made to the Act will be updated, but the department can do so using current resources. This bill may impact the court system.

Enactment eight in the introduced budget bill, HB1800/SB1100, provides that, beginning January 1, 2021, no landlord shall terminate a residential tenancy, or take any action to obtain

possession of a dwelling unit, for non-payment of rent due to lost income or additional expenses resulting from the declared state of emergency until such time the declared state of emergency ends, with certain exceptions prescribed in the language. Any conflict that may exist between the provisions of these amendments and the provisions of this proposed legislation would default to the adopted budget language.

Utilizing \$62 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the Virginia Rent and Mortgage Relief Program (RMRP), provides assistance for households facing eviction or foreclosure due to COVID-19. RMRP will provide short-term financial assistance on behalf of households in the form of rent and mortgage payments.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: None.