

2008 SESSION

INTRODUCED

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HOUSE BILL NO. 1467

Offered January 15, 2008

A *BILL to amend the Code of Virginia by adding a section numbered 55-57.01, relating to property and conveyances; leases; prohibited covenants.*

Patron—Shannon

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 55-57.01 as follows:

§ 55-57.01. Prohibited covenants in leases.

A. No lease for nonresidential property shall be agreed to, executed or renewed that contains a covenant restricting the lessor from entering into additional leases with additional parties that compete with the lessee's lines of business, unless the additional party's intended lines of business are in direct competition with no less than a majority of the lessee's lines of business.

B. A lease in violation of subsection A shall be deemed a contract in restraint of trade prohibited by § 59.1-9.5.

2. That the provisions of this act shall apply to leases agreed to, executed or renewed on or after July 1, 2008.

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