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HOUSE BILL NO. 2080**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on General Laws and Technology
on February 18, 2009)

(Patron Prior to Substitute—Delegate Oder)

A BILL to amend and reenact §§ 16.1-77, 36-105.1:1, 55-248.13, 55-248.15:2, 55-248.13:3, 55-248.16, 55-248.18, 55-248.18:2, 55-248.32, and 55-248.37 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 55-225.10, relating to the landlord and tenant laws; rights and obligations of tenants.

Be it enacted by the General Assembly of Virginia:

1. That §§ 16.1-77, 36-105.1:1, 55-248.13, 55-248.15:2, 55-248.13:3, 55-248.16, 55-248.18, 55-248.18:2, 55-248.32, and 55-248.37 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 55-225.10 as follows:

§ 16.1-77. (Effective July 1, 2009) Civil jurisdiction of general district courts.

Except as provided in Article 5 (§ 16.1-122.1 et seq.) of this chapter, each general district court shall have, within the limits of the territory it serves, civil jurisdiction as follows:

(1) Exclusive original jurisdiction of any claim to specific personal property or to any debt, fine or other money, or to damages for breach of contract or for injury done to property, real or personal, or for any injury to the person that would be recoverable by action at law or suit in equity, when the amount of such claim does not exceed \$4,500 exclusive of interest and any attorney's fees contracted for in the instrument, and concurrent jurisdiction with the circuit courts having jurisdiction in such territory of any such claim when the amount thereof exceeds \$4,500 but does not exceed \$15,000, exclusive of interest and any attorney's fees contracted for in the instrument. However, this \$15,000 limit shall not apply with respect to distress warrants under the provisions of § 55-230, cases involving liquidated damages for violations of vehicle weight limits pursuant to § 46.2-1135, nor cases involving forfeiture of a bond pursuant to § 19.2-143.

(2) Jurisdiction to try and decide attachment cases when the amount of the plaintiff's claim does not exceed \$15,000 exclusive of interest and any attorney's fees contracted for in the instrument.

(3) Jurisdiction of actions of unlawful entry or detainer as provided in Article 13 (§ 8.01-124 et seq.) of Chapter 3 of Title 8.01, and in Chapter 13 (§ 55-217 et seq.) of Title 55, and the maximum jurisdictional limits prescribed in subdivision (1) shall not apply to any claim, counter-claim or cross-claim in an *unlawful detainer* action that includes a claim for damages sustained or rent against any person obligated on the lease proved to be owing where the premises were used by the occupant primarily for business, commercial or agricultural purposes. Any counter-claim or cross-claim shall arise out of the same use of the property for business, commercial or agricultural purposes.

(4) Except where otherwise specifically provided, all jurisdiction, power and authority over any civil action or proceeding conferred upon any general district court judge or magistrate under or by virtue of any provisions of the Code of Virginia.

(5) Jurisdiction to try and decide suits in interpleader involving personal property where the amount of money or value of the property is not more than the maximum jurisdictional limits of the general district court. The action shall be brought in accordance with the procedures for interpleader as set forth in § 8.01-364. However, the general district court shall not have any power to issue injunctions. Actions in interpleader may be brought by either the stakeholder or any of the claimants. The initial pleading shall be either by motion for judgment or by warrant in debt. The initial pleading shall briefly set forth the circumstances of the claim and shall name as defendant all parties in interest who are not parties plaintiff.

(6) Jurisdiction to try and decide any cases pursuant to § 2.2-3713 of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) or § 2.2-3809 of the Government Data Collection and Dissemination Practices Act, for writs of mandamus or for injunctions.

(7) Concurrent jurisdiction with the circuit courts having jurisdiction in such territory to adjudicate habitual offenders pursuant to the provisions of Article 9 (§ 46.2-355.1 et seq.) of Chapter 3 of Title 46.2.

(8) Jurisdiction to try and decide cases alleging a civil violation described in § 18.2-76.

§ 36-105.1:1. Rental inspections; rental inspection districts; exemptions; penalties.

A. For purposes of this section:

"Dwelling unit" means a building or structure or part thereof that is used for a home or residence by one or more persons who maintain a household.

"Owner" means the person shown on the current real estate assessment books or current real estate assessment records.

60 "Residential rental dwelling unit" means a dwelling unit that is leased or rented to one or more
61 tenants. However, a dwelling unit occupied in part by the owner thereof shall not be construed to be a
62 residential rental dwelling unit unless a tenant occupies a part of the dwelling unit which has its own
63 cooking and sleeping areas, and a bathroom, unless otherwise provided in the zoning ordinance by the
64 local governing body.

65 B. Localities may inspect residential rental dwelling units. The local governing body may adopt an
66 ordinance to inspect residential rental dwelling units for compliance with the Building Code and to
67 promote safe, decent and sanitary housing for its citizens, in accordance with the following:

68 1. Except as provided in subdivision B 3, the dwelling units shall be located in a rental inspection
69 district established by the local governing body in accordance with this section, and

70 2. The rental inspection district is based upon a finding by the local governing body that (i) there is
71 a need to protect the public health, safety and welfare of the occupants of dwelling units inside the
72 designated rental inspection district; (ii) the residential rental dwelling units within the designated rental
73 inspection district are either (a) blighted or in the process of deteriorating, or (b) the residential rental
74 dwelling units are in the need of inspection by the building department to prevent deterioration, taking
75 into account the number, age and condition of residential dwelling rental units inside the proposed rental
76 inspection district; and (iii) the inspection of residential rental dwelling units inside the proposed rental
77 inspection district is necessary to maintain safe, decent and sanitary living conditions for tenants and
78 other residents living in the proposed rental inspection district. Nothing in this section shall be construed
79 to authorize a *one or more* locality-wide rental inspection ~~district districts~~ and a local governing body
80 shall limit the boundaries of the proposed rental inspection ~~district districts~~ to such areas of the locality
81 that meet the criteria set out in this subsection, or

82 3. An individual residential rental dwelling unit outside of a designated rental inspection district is
83 made subject to the rental inspection ordinance based upon a separate finding for each individual
84 dwelling unit by the local governing body that (i) there is a need to protect the public health, welfare
85 and safety of the occupants of that individual dwelling unit; (ii) the individual dwelling unit is either (a)
86 blighted or (b) in the process of deteriorating; or (iii) there is evidence of violations of the Building
87 Code that affect the safe, decent and sanitary living conditions for tenants living in such individual
88 dwelling unit.

89 For purposes of this section, the local governing body may designate a local government agency
90 other than the building department to perform all or part of the duties contained in the enforcement
91 authority granted to the building department by this section.

92 C. 1. Notification to owners of dwelling units. Before adopting a rental inspection ordinance and
93 establishing a rental inspection district or an amendment to either, the governing body of the locality
94 shall hold a public hearing on the proposed ordinance. Notice of the hearing shall be published once a
95 week for two successive weeks in a newspaper published or having general circulation in the locality.

96 Upon adoption by the local governing body of a rental inspection ordinance, the building department
97 shall make reasonable efforts to notify owners of residential rental dwelling units in the designated rental
98 inspection district, or their designated managing agents, and to any individual dwelling units subject to
99 the rental inspection ordinance, not located in a rental inspection district, of the adoption of such
100 ordinance, and provide information and an explanation of the rental inspection ordinance and the
101 responsibilities of the owner thereunder.

102 2. Notification by owners of dwelling units to locality. The rental inspection ordinance may include a
103 provision that requires the owners of dwelling units in a rental inspection district to notify the building
104 department in writing if the dwelling unit of the owner is used for residential rental purposes. The
105 building department may develop a form for such purposes. The rental inspection ordinance shall not
106 include a registration requirement or a fee of any kind associated with the written notification pursuant
107 to this subdivision. A rental inspection ordinance may not require that the written notification from the
108 owner of a dwelling unit subject to a rental inspection ordinance be provided to the building department
109 in less than 60 days after the adoption of a rental inspection ordinance. However, there shall be no
110 penalty for the failure of an owner of a residential rental dwelling unit to comply with the provisions of
111 this subsection, unless and until the building department provides personal or written notice to the
112 property owner, as provided in this section. In any event, the sole penalty for the willful failure of an
113 owner of a dwelling unit who is using the dwelling unit for residential rental purposes to comply with
114 the written notification requirement shall be a civil penalty of up to \$50. For purposes of this
115 subsection, notice sent by regular first class mail to the last known address of the owner as shown on
116 the current real estate tax assessment books or current real estate tax assessment records shall be deemed
117 compliance with this requirement.

118 D. Initial inspection of dwelling units when rental inspection district is established. Upon
119 establishment of a rental inspection district in accordance with this section, the building department may,
120 in conjunction with the written notifications as provided for in subsection C, proceed to inspect dwelling
121 units in the designated rental inspection district to determine if the dwelling units are being used as a

residential rental property and for compliance with the provisions of the Building Code that affect the safe, decent and sanitary living conditions for the tenants of such property.

E. Provisions for initial and periodic inspections of multifamily dwelling units. If a multifamily development has more than 10 dwelling units, in the initial and periodic inspections, the building department shall inspect only a sampling of dwelling units, of not less than two and not more than 10 percent of the dwelling units, of a multifamily development, which includes all of the multifamily buildings which are part of that multifamily development. In no event, however, shall the building department charge a fee authorized by this section for inspection of more than 10 dwelling units. If the building department determines upon inspection of the sampling of dwelling units that there are violations of the Building Code that affect the safe, decent and sanitary living conditions for the tenants of such multifamily development, the building department may inspect as many dwelling units as necessary to enforce the Building Code, in which case, the fee shall be based upon a charge per dwelling unit inspected, as otherwise provided in subsection H.

F. 1. Follow-up inspections. Upon the initial or periodic inspection of a residential rental dwelling unit subject to a rental inspection ordinance, the building department has the authority under the Building Code to require the owner of the dwelling unit to submit to such follow-up inspections of the dwelling unit as the building department deems necessary, until such time as the dwelling unit is brought into compliance with the provisions of the Building Code that affect the safe, decent and sanitary living conditions for the tenants.

2. Periodic inspections. Except as provided in subdivision F 1, following the initial inspection of a residential rental dwelling unit subject to a rental inspection ordinance, the building department may inspect any residential rental dwelling unit in a rental inspection district, that is not otherwise exempted in accordance with this section, no more than once each calendar year.

G. Exemptions from rental inspection ordinance. Upon the initial or periodic inspection of a residential rental dwelling unit subject to a rental inspection ordinance for compliance with the Building Code, provided that there are no violations of the Building Code that affect the safe, decent and sanitary living conditions for the tenants of such residential rental dwelling unit, the building department shall provide, to the owner of such residential rental dwelling unit, an exemption from the rental inspection ordinance for a minimum of four years. Upon the sale of a residential rental dwelling unit, the building department may perform a periodic inspection as provided in subdivision F 2, subsequent to such sale. If a residential rental dwelling unit has been issued a certificate of occupancy within the last four years, an exemption shall be granted for a minimum period of four years from the date of the issuance of the certificate of occupancy by the building department. If the residential rental dwelling unit becomes in violation of the Building Code during the exemption period, the building department may revoke the exemption previously granted under this section.

H. A local governing body may establish a fee schedule for enforcement of the Building Code, which includes a per dwelling unit fee for the initial inspections, follow-up inspections and periodic inspections under this section.

I. The provisions of this section shall not, in any way, alter the rights and obligations of landlords and tenants pursuant to the applicable provisions of Chapter 13 (§ 55-217 et seq.) or Chapter 13.2 (§ 55-248.2 et seq.) of Title 55.

J. The provisions of this section shall not alter the duties or responsibilities of the local building department under § 36-105 to enforce the Building Code.

K. Unless otherwise provided in this section, penalties for violation of this section shall be the same as the penalties provided in the Building Code.

§ 55-225.10. Notice to tenant in event of foreclosure.

The landlord shall give written notice to the tenant of a mortgage default, notice of mortgage acceleration, or notice of foreclosure sale relative to the loan on the dwelling unit within five business days after written notice from the lender is received by the landlord. This requirement shall not apply (i) to any managing agent who does not receive a copy of such written notice from the lender or (ii) if the tenant provides a copy of the written notice from the lender to the landlord or the managing agent.

§ 55-248.13. Landlord to maintain fit premises.

A. The landlord shall:

1. Comply with the requirements of applicable building and housing codes materially affecting health and safety;

2. Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition;

3. Keep all common areas shared by two or more dwelling units of the premises in a clean and structurally safe condition;

4. Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances, including elevators, supplied or required

183 to be supplied by him;

184 5. Maintain the premises in such a condition as to prevent the accumulation of moisture and the
185 growth of mold, and to promptly respond to any notices from a tenant as provided in subdivision A 9
186 10 of § 55-248.16;

187 6. Provide and maintain appropriate receptacles and conveniences, in common areas, for the
188 collection, storage, and removal of ashes, garbage, rubbish and other waste incidental to the occupancy
189 of two or more dwelling units and arrange for the removal of same; and

190 7. Supply running water and reasonable amounts of hot water at all times and reasonable air
191 conditioning if provided and heat in season except where the dwelling unit is so constructed that heat,
192 air conditioning or hot water is generated by an installation within the exclusive control of the tenant or
193 supplied by a direct public utility connection.

194 B. The landlord shall perform the duties imposed by subsection A in accordance with law; however,
195 the landlord shall only be liable for the tenant's actual damages proximately caused by the landlord's
196 failure to exercise ordinary care.

197 C. If the duty imposed by subdivision 1 of subsection A is greater than any duty imposed by any
198 other subdivision of that subsection, the landlord's duty shall be determined by reference to subdivision
199 1 of subsection A.

200 D. The landlord and tenant may agree in writing that the tenant perform the landlord's duties
201 specified in subdivisions 3, 6, and 7 of subsection A and also specified repairs, maintenance tasks,
202 alterations and remodeling, but only if the transaction is entered into in good faith and not for the
203 purpose of evading the obligations of the landlord, and if the agreement does not diminish or affect the
204 obligation of the landlord to other tenants in the premises.

205 § 55-248.13:3. Notice to tenants for insecticide or pesticide use.

206 A. The landlord shall give written notice to the tenant no less than forty-eight hours prior to his
207 application of *a an insecticide or pesticide* in the tenant's dwelling unit unless the tenant agrees to a
208 shorter notification period. If a tenant requests the application of the *insecticide or pesticide*, the
209 forty-eight-hour notice is not required. Tenants who have concerns about specific *insecticides or*
210 pesticides shall notify the landlord in writing no less than twenty-four hours before the scheduled
211 *insecticide or pesticide* application. *The tenant shall prepare the dwelling unit for the application of*
212 *insecticides or pesticides in accordance with any written instructions of the landlord, and if insects or*
213 *pests are found to be present, follow any written instructions of the landlord to eliminate the insects or*
214 *pests following the application of insecticides or pesticides.*

215 B. In addition, the landlord shall post notice of all *insecticide or pesticide* applications in ~~or upon the~~
216 ~~premises, excluding areas of the premises other than the dwelling units.~~ Such notice shall consist of
217 conspicuous signs placed in or upon such premises where the *insecticide or pesticide* will be applied at
218 least forty-eight hours prior to the application.

219 § 55-248.15:2. Schedule of interest rates on security deposits.

220 A. The interest rate established by § 55-248.15:1 varies annually with the annual rate being equal to
221 four percentage points below the Federal Reserve Board discount rate as of January 1 of each year. The
222 purpose of this section is to set out the interest rates applicable under this chapter.

223 B. The rates are as follows:

- 224 1. July 1, 1975, through December 31, 1979, 3.0%.
- 225 2. January 1, 1980, through December 31, 1981, 4.0%.
- 226 3. January 1, 1982, through December 31, 1984, 4.5%.
- 227 4. January 1, 1985, through December 31, 1994, 5.0%.
- 228 5. January 1, 1995, through December 31, 1995, 4.75%.
- 229 6. January 1, 1996, through December 31, 1996, 5.25%.
- 230 7. January 1, 1997, through December 31, 1998, 5.0%.
- 231 8. January 1, 1999, through June 30, 1999, 4.5%.
- 232 9. July 1, 1999, through December 31, 1999, 3.5%.
- 233 10. January 1, 2000, through December 31, 2000, 4.0%.
- 234 11. January 1, 2001, through December 31, 2001, 5.0%.
- 235 12. January 1, 2002, through December 31, 2002, 0.25%.
- 236 13. January 1, 2003, through December 31, 2003, 0%.
- 237 14. January 1, 2004, through December 31, 2004, 1.0%.
- 238 15. January 1, 2005, through December 31, 2005, 2.25%.
- 239 16. January 1, 2006, through December 31, 2006, 4.25%.
- 240 17. January 1, 2007, through December 31, 2007, 5.25%.
- 241 18. January 1, 2008, through December 31, 2008, 0.75%.
- 242 19. *January 1, 2009 through December 31, 2009, 0.00%.*

243 Thereafter, the interest rate shall be determined in accordance with subsection B of § 55-248.15:1.

244 § 55-248.16. Tenant to maintain dwelling unit.

245 A. In addition to the provisions of the rental agreement, the tenant shall:
 246 1. Comply with all obligations primarily imposed upon tenants by applicable provisions of building
 247 and housing codes materially affecting health and safety;
 248 2. Keep that part of the dwelling unit and the part of the premises that he occupies and uses as clean
 249 and safe as the condition of the premises permit;
 250 3. *Keep that part of the dwelling unit and the part of the premises that he occupies free from insects*
 251 *and pests, as those terms are defined in § 3.2-3900, and to promptly notify the landlord of the existence*
 252 *of any insects or pests;*
 253 4. Remove from his dwelling unit all ashes, garbage, rubbish and other waste in a clean and safe
 254 manner and in the appropriate receptacles provided by the landlord pursuant to § 55-258.13, if such
 255 disposal is on the premises;
 256 4.5. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition
 257 permits;
 258 5.6. Use in a reasonable manner all utilities and all electrical, plumbing, sanitary, heating, ventilating,
 259 air-conditioning and other facilities and appliances including elevators in the premises, and keep all
 260 utility services paid for by the tenant to the utility service provider or its agent on at all times during the
 261 term of the rental agreement;
 262 6.7. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the
 263 premises or permit any person to do so whether known by the tenant or not;
 264 7.8. Not remove or tamper with a properly functioning smoke detector installed by the landlord,
 265 including removing any working batteries, so as to render the detector inoperative;
 266 8.9. Not remove or tamper with a properly functioning carbon monoxide detector installed by the
 267 landlord, including removing any working batteries, so as to render the carbon monoxide detector
 268 inoperative;
 269 9.10. Use reasonable efforts to maintain the dwelling unit and any other part of the premises that he
 270 occupies in such a condition as to prevent accumulation of moisture and the growth of mold, and to
 271 promptly notify the landlord of any moisture accumulation that occurs or of any visible evidence of
 272 mold discovered by the tenant;
 273 10.11. Be responsible for his conduct and the conduct of other persons on the premises with his
 274 consent whether known by the tenant or not, to ensure that his neighbors' peaceful enjoyment of the
 275 premises will not be disturbed; and
 276 11.12. Abide by all reasonable rules and regulations imposed by the landlord pursuant to
 277 § 55-248.17.
 278 B. If the duty imposed by subdivision 1 of subsection A is greater than any duty imposed by any
 279 other subdivision of that subsection, the tenant's duty shall be determined by reference to subdivision 1.
 280 § 55-248.18. Access; consent; correction of nonemergency conditions; relocation of tenant.
 281 A. The tenant shall not unreasonably withhold consent to the landlord to enter into the dwelling unit
 282 in order to inspect the premises, make necessary or agreed repairs, decorations, alterations or
 283 improvements, supply necessary or agreed services or exhibit the dwelling unit to prospective or actual
 284 purchasers, mortgagees, tenants, workmen or contractors. The landlord may enter the dwelling unit
 285 without consent of the tenant in case of emergency. The landlord shall not abuse the right of access or
 286 use it to harass the tenant. Except in case of emergency or if it is impractical to do so, the landlord shall
 287 give the tenant notice of his intent to enter and may enter only at reasonable times. Unless impractical
 288 to do so, the landlord shall give the tenant at least 24-hours' notice of routine maintenance to be
 289 performed that has not been requested by the tenant. *If the tenant makes a request for maintenance, the*
 290 *landlord is not required to provide notice to the tenant.*
 291 B. Upon the sole determination by the landlord of the existence of a nonemergency property
 292 condition in the dwelling unit that requires the tenant to temporarily vacate the dwelling unit in order
 293 for the landlord to properly remedy such property condition, the landlord may, upon at least 30 days'
 294 written notice to the tenant, require the tenant to temporarily vacate the dwelling unit for a period not to
 295 exceed 30 days to a comparable dwelling unit, as selected by the landlord, and at no expense or cost to
 296 the tenant. For purposes of this subsection, "nonemergency property condition" means (i) a condition in
 297 the dwelling unit that, in the determination of the landlord, is necessary for the landlord to remedy in
 298 order for the landlord to be in compliance with § 55-248.13; (ii) the condition does not need to be
 299 remedied within a 24-hour period, with any condition that needs to be remedied within 24 hours being
 300 defined as an "emergency condition"; and (iii) the condition can only be effectively remedied by the
 301 temporary relocation of the tenant pursuant to the provisions of this subsection.
 302 The tenant shall continue to be responsible for payment of rent under the rental agreement during the
 303 period of any temporary relocation. The landlord shall pay all costs of repairs or remediation required to
 304 address the property condition. Refusal of the tenant to cooperate with a temporary relocation pursuant
 305 to this subsection shall be deemed a breach of the rental agreement, unless the tenant agrees to vacate

the unit and terminate the rental agreement within the 30-day notice period.

C. The landlord has no other right to access except by court order or that permitted by §§ 55-248.32 and 55-248.33 or if the tenant has abandoned or surrendered the premises.

D. The tenant may install, within the dwelling unit, new burglary prevention, including chain latch devices approved by the landlord, carbon monoxide detection devices, and fire detection devices, that the tenant may believe necessary to ensure his safety, provided:

1. Installation does no permanent damage to any part of the dwelling unit.

2. A duplicate of all keys and instructions of how to operate all devices are given to the landlord.

3. Upon termination of the tenancy the tenant shall be responsible for payment to the landlord for reasonable costs incurred for the removal of all such devices and repairs to all damaged areas.

§ 55-248.18:2. Relocation of tenant where mold remediation needs to be performed in the dwelling unit.

Where a mold condition in the dwelling unit materially affects the health or safety of any tenant or authorized occupant, the landlord may require the tenant to temporarily vacate the dwelling unit in order for the landlord to perform mold remediation in accordance with professional standards as defined in § 55-248.4 for a period not to exceed 30 days. The landlord shall provide the tenant with either (a) a comparable dwelling unit, as selected by the landlord, at no expense or cost to the tenant, or (b) a hotel room, at no expense or cost to the tenant. The tenant shall continue to be responsible for payment of rent under the rental agreement during the period of any temporary relocation. The landlord shall pay all costs of the mold remediation, *unless the mold is a result of the tenant's failure to comply with § 55-248.16.*

§ 55-248.32. Remedy by repair, etc.; emergencies.

If there is a violation by the tenant of § 55-248.16 or the rental agreement materially affecting health and safety that can be remedied by repair, replacement of a damaged item or cleaning, ~~and the tenant fails to comply within fourteen days after written notice by the landlord shall send a written notice to the tenant specifying the breach and requesting that the tenant remedy it within that period of time, stating that the landlord may will enter the premises, cause dwelling unit and perform the work to be done in a workmanlike manner, and submit an itemized bill for the actual and reasonable cost of the fair and reasonable value thereof therefor to the tenant, which shall be due as rent on the next rent due date when periodic rent is due, or if the rental agreement has terminated, for immediate payment.~~

In case of emergency the landlord may, as promptly as conditions require, enter the ~~premises, cause dwelling unit, perform the work to be done~~ in a workmanlike manner, and submit an itemized bill for the actual and reasonable cost ~~of the fair and reasonable value thereof therefor to the tenant, which shall be due as rent on the next rent due date when periodic rent is due, or if the rental agreement has terminated, for immediate payment.~~

The landlord may perform the repair, replacement, or cleaning, or may engage a third party to do so.

§ 55-248.37. Periodic tenancy; holdover remedies.

A. The landlord or the tenant may terminate a week-to-week tenancy by serving a written notice on the other at least seven days prior to the next rent due date. The landlord or the tenant may terminate a month-to-month tenancy by serving a written notice on the other at least 30 days prior to the next rent due date.

B. If the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or its termination, the landlord may bring an action for possession and may also recover actual damages, reasonable attorneys' fees, and court costs, unless the tenant proves by a preponderance of the evidence that the failure of the tenant to vacate the dwelling unit as of the termination date was reasonable. The landlord may include in the rental agreement a *reasonable liquidated damage penalty, not to exceed an amount equal to 150 percent of the per diem of the monthly rent, for each day the tenant remains in the dwelling unit after the termination date specified in the landlord's notice. However, if the dwelling unit is a public housing unit or other housing unit subject to regulation by the Department of Housing and Urban Development, any liquidated damage penalty shall not exceed an amount equal to the per diem of the monthly rent set out in the lease agreement.* If the landlord consents to the tenant's continued occupancy, § 55-248.7 applies.

C. In the event of termination of a rental agreement and the tenant remains in possession with the agreement of the landlord either as a hold-over tenant or a month-to-month tenant and no new rental agreement is entered into, the terms of the terminated agreement shall remain in effect and govern the hold-over or month-to-month tenancy, except that the amount of rent shall be either as provided in the terminated rental agreement or the amount set forth in a written notice to the tenant, provided that such new rent amount shall not take effect until the next rent due date coming 30 days after the notice.

2. That nothing in § 36-105.1:1 of this act shall be construed to invalidate any rental inspection district duly established by a local governing body on or before January 1, 2009.