

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1736

|                        |  |                                     |                                    |
|------------------------|--|-------------------------------------|------------------------------------|
| <b>House of Origin</b> | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| <b>Second House</b>    | <input type="checkbox"/> In Committee          | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled  |

**2. Patron:** Farrell, P. F.

**3. Committee:** General Laws

**4. Title:** Real Estate Board; protection of escrow funds by real estate licensee, rental agreement.

**5. Summary:** This bill provides that, for any landlord-tenant relationship within the purview of the Virginia Residential Landlord and Tenant Act, any prepaid rent paid more than one month prior to the due date and all security deposits paid to a licensed broker in connection with the lease shall be placed in an escrow account by the end of the fifth business banking day following receipt, unless otherwise agreed to in writing by the principals to the lease transaction. The bill provides how long the funds must remain in the escrow account. Additionally, any application deposit paid by a prospective tenant for the purpose of being considered as a tenant for a dwelling unit to a real estate licensee acting on behalf of the landlord shall be placed in escrow by the end of the fifth business banking day following approval of the rental application by the landlord.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** None. See #8.

**8. Fiscal Implications:** This bill does not result in a fiscal impact to the Department of Professional and Occupational Regulation.

**9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/23/13

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