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SENATE BILL NO. 993

Offered January 11, 2017

Prefiled January 3, 2017

A *BILL to amend and reenact §§ 6.2-400 and 55-248.7 of the Code of Virginia, relating to the amount of late charges that may be imposed under a lease.*

Patron—Stanley

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.2-400 and 55-248.7 of the Code of Virginia are amended and reenacted as follows:

§ 6.2-400. Amount of late charge; when charge can be made.

A. As used in this section:

"Late charges" does not include charges imposed upon acceleration of the entire debt or costs of collection and attorney fees as otherwise permitted by law by reason of a default by the debtor.

"Timely payment" means a payment made by the date fixed for payment or within a period of seven calendar days after such due date.

B. Any lender:

1. Lender or seller may impose a late charge for failure to make timely payment of any installment due on a debt, whether installment or single maturity, provided that such late charge does not exceed five percent of the amount of such installment payment and that the charge is specified in the contract between the lender or seller and the debtor; and

2. Lessor of real property located in the Commonwealth may impose a late charge for the failure of the lessee to make timely payment of any periodic rent due under a lease of the real property, provided that the late charge does not exceed five percent of the amount of the periodic payment due under the lease and that the charge is specified in the lease or rental agreement between the lessor and the lessee.

C. If any federal governmental agency or organization shall adopt any rules or regulations dealing with the application of late penalties as to loans insured or guaranteed by such federal agency or organization, then such rules and regulations shall control as to such loans insured or guaranteed by them.

D. Any provision for late charges in excess of the amount permitted by this section shall be void as to such excess but shall not otherwise affect the validity of the obligation.

§ 55-248.7. Terms and conditions of rental agreement; copy for tenant; accounting of rental payments.

A. A landlord and tenant may include in a rental agreement, terms and conditions not prohibited by this chapter or other rule of law, including rent, charges for late payment of rent *that do not exceed the amount permitted under § 6.2-400*, term of the agreement, automatic renewal of the rental agreement, requirements for notice of intent to vacate or terminate the rental agreement, and other provisions governing the rights and obligations of the parties.

B. In the absence of a rental agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.

C. Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the place designated by the landlord and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal installments at the beginning of each month. If the landlord receives from a tenant a written request for an accounting of charges and payments, he shall provide the tenant with a written statement showing all debits and credits over the tenancy or the past 12 months, whichever is shorter. The landlord shall provide such written statement within 10 business days of receiving the request.

D. Unless the rental agreement fixes a definite term, the tenancy shall be week to week in case of a roomer who pays weekly rent, and in all other cases month to month. Terminations of tenancies shall be governed by § 55-248.37 unless the rental agreement provides for a different notice period.

E. If the rental agreement contains any provision whereby the landlord may approve or disapprove a sublessee or assignee of the tenant, the landlord shall within 10 business days of receipt by him of the written application of the prospective sublessee or assignee on a form to be provided by the landlord, approve or disapprove the sublessee or assignee. Failure of the landlord to act within 10 business days shall be deemed evidence of his approval.

F. A copy of any written rental agreement signed by both the tenant and the landlord shall be provided to the tenant within one month of the effective date of the written rental agreement. The failure

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59 of the landlord to deliver such a rental agreement shall not affect the validity of the agreement.

60 G. No unilateral change in the terms of a rental agreement by a landlord or tenant shall be valid
61 unless (i) notice of the change is given in accordance with the terms of the rental agreement or as
62 otherwise required by law and (ii) both parties consent in writing to the change.

63 H. The landlord shall provide the tenant with a written receipt, upon request from the tenant,
64 whenever the tenant pays rent in the form of cash or money order.