

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: SB966

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

2. Patron: Obenshain

3. Committee: Passed Both Houses

4. Title: Residential rental property.

5. Summary: Provides that if a residential dwelling unit is foreclosed upon pursuant to § 55-225.10, Code of Virginia, and there is a tenant living in the dwelling unit at the time of the foreclosure, the foreclosure shall act as a termination of the rental agreement by the landlord and the tenant may remain in possession of such dwelling. If the rent is paid to a real estate licensee acting on behalf of the landlord as a managing agent, such property management agreement having been entered into prior to and in effect at the time of the foreclosure sale, the managing agent may collect the rent and place it into an escrow account. The bill also provides that, if there is in effect at the date of the foreclosure sale a written property management agreement between the landlord and a real estate licensee licensed pursuant to the provisions of § 54.1-2106.1, Code of Virginia, the foreclosure shall convert the property management agreement into a month-to-month agreement between the successor landlord and the real estate licensee acting as a managing agent, except in the event that the terms of the original property management agreement between the landlord and the real estate licensee acting as a managing agent require an earlier termination date. Except in the event of foreclosure, the bill permits a real estate licensee acting on behalf of a landlord client as a managing agent who elects to terminate the property management agreement, to transfer any funds held in escrow by the licensee to the landlord client without his consent, provided that the real estate licensee provides written notice to each tenant that the funds have been so transferred. In the event of foreclosure, a real estate licensee will not transfer any funds to a landlord client whose property has been foreclosed upon. The bill provides immunity, in the absence of gross negligence or intentional misconduct, to any such licensee acting in compliance with the provisions of § 54.1-2108.1, Code of Virginia.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. No state fiscal impact.

8. Fiscal Implications: It is anticipated that this bill will 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.