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## SENATE BILL NO. 707

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on January 29, 2020)

(Patron Prior to Substitute—Senator McClellan)

*A BILL to amend and reenact §§ 36-139 and 55.1-1204 of the Code of Virginia, relating to landlord and tenant; tenant rights and responsibilities.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 36-139 and 55.1-1204 of the Code of Virginia are amended and reenacted as follows:**

**§ 36-139. Powers and duties of Director.**

The Director of the Department of Housing and Community Development shall have the following responsibilities:

1. Collecting from the governmental subdivisions of the Commonwealth information relevant to their planning and development activities, boundary changes, changes of forms and status of government, intergovernmental agreements and arrangements, and such other information as he may deem necessary.

2. Making information available to communities, planning district commissions, service districts and governmental subdivisions of the Commonwealth.

3. Providing professional and technical assistance to, and cooperating with, any planning agency, planning district commission, service district, and governmental subdivision engaged in the preparation of development plans and programs, service district plans, or consolidation agreements.

4. Assisting the Governor in the providing of such state financial aid as may be appropriated by the General Assembly in accordance with § 15.2-4216.

5. Administering federal grant assistance programs, including funds from the Appalachian Regional Commission, the Economic Development Administration and other such federal agencies, directed at promoting the development of the Commonwealth's communities and regions.

6. Developing state community development policies, goals, plans and programs for the consideration and adoption of the Board with the ultimate authority for adoption to rest with the Governor and the General Assembly.

7. Developing a Consolidated Plan to guide the development and implementation of housing programs and community development in the Commonwealth for the purpose of meeting the housing and community development needs of the Commonwealth and, in particular, those of low-income and moderate-income persons, families and communities.

8. Determining present and future housing requirements of the Commonwealth on an annual basis and revising the Consolidated Plan, as necessary to coordinate the elements of housing production to ensure the availability of housing where and when needed.

9. Assuming administrative coordination of the various state housing programs and cooperating with the various state agencies in their programs as they relate to housing.

10. Establishing public information and educational programs relating to housing; devising and administering programs to inform all citizens about housing and housing-related programs that are available on all levels of government; designing and administering educational programs to prepare families for home ownership and counseling them during their first years as homeowners; and promoting educational programs to assist sponsors in the development of low and moderate income housing as well as programs to lessen the problems of rental housing management.

11. Administering the provisions of the Industrialized Building Safety Law (§ 36-70 et seq.).

12. Administering the provisions of the Uniform Statewide Building Code (§ 36-97 et seq.).

13. Establishing and operating a Building Code Academy for the training of persons in the content, application, and intent of specified subject areas of the building and fire prevention regulations promulgated by the Board of Housing and Community Development.

14. Administering, in conjunction with the federal government, and promulgating any necessary regulations regarding energy standards for existing buildings as may be required pursuant to federal law.

15. Identifying and disseminating information to local governments about the availability and utilization of federal and state resources.

16. Administering, with the cooperation of the Department of Health, state assistance programs for public water supply systems.

17. Advising the Board on matters relating to policies and programs of the Virginia Housing Trust Fund.

18. Designing and establishing program guidelines to meet the purposes of the Virginia Housing Trust Fund and to carry out the policies and procedures established by the Board.

19. Preparing agreements and documents for loans and grants to be made from the Virginia Housing

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60 Trust Fund; soliciting, receiving, reviewing and selecting the applications for which loans and grants are  
61 to be made from such fund; directing the Virginia Housing Development Authority and the Department  
62 as to the closing and disbursing of such loans and grants and as to the servicing and collection of such  
63 loans; directing the Department as to the regulation and monitoring of the ownership, occupancy and  
64 operation of the housing developments and residential housing financed or assisted by such loans and  
65 grants; and providing direction and guidance to the Virginia Housing Development Authority as to the  
66 investment of moneys in such fund.

67 20. Establishing and administering program guidelines for a statewide homeless intervention program.

68 21. Administering 15 percent of the Low Income Home Energy Assistance Program (LIHEAP) Block  
69 Grant and any contingency funds awarded and carry over funds, furnishing home weatherization and  
70 associated services to low-income households within the Commonwealth in accordance with applicable  
71 federal law and regulations.

72 22. Developing a strategy concerning the expansion of affordable, accessible housing for older  
73 Virginians and Virginians with disabilities, including supportive services.

74 23. Serving as the Executive Director of the Commission on Local Government as prescribed in  
75 § 15.2-2901 and perform all other duties of that position as prescribed by law.

76 24. Developing a strategy, in consultation with the Virginia Housing Development Authority, for the  
77 creation and implementation of housing programs and community development for the purpose of  
78 meeting the housing needs of persons who have been released from federal, state, and local correctional  
79 facilities into communities.

80 25. Administering the Private Activity Bonds program in Chapter 50 (§ 15.2-5000 et seq.) of Title  
81 15.2 jointly with the Virginia Small Business Financing Authority and the Virginia Housing  
82 Development Authority.

83 26. *Developing a statement of tenant rights and responsibilities explaining in plain language the*  
84 *rights and responsibilities of tenants under the Virginia Residential Landlord and Tenant Act*  
85 *(§ 55.1-1200 et seq.) and maintaining such statement on the Department's website. The Director shall*  
86 *also develop and maintain on the Department's website a printable form to be signed by the parties to a*  
87 *written rental agreement acknowledging that the tenant has received from the landlord the statement of*  
88 *tenant rights and responsibilities as required by § 55.1-1204. The Director may at any time amend the*  
89 *statement of tenant rights and responsibilities and such printable form as the Director deems necessary*  
90 *and appropriate. The statement of tenant rights and responsibilities shall contain a plain language*  
91 *explanation of the rights and responsibilities of tenants in at least 14-point type.*

92 27. Carrying out such other duties as may be necessary and convenient to the exercise of powers  
93 granted to the Department.

94 **§ 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental**  
95 **agreement for tenant.**

96 A. A landlord and tenant may include in a rental agreement terms and conditions not prohibited by  
97 this chapter or other rule of law, including rent, charges for late payment of rent, the term of the  
98 agreement, automatic renewal of the rental agreement, requirements for notice of intent to vacate or  
99 terminate the rental agreement, and other provisions governing the rights and obligations of the parties.

100 B. ~~The~~ A landlord shall offer ~~the~~ a prospective tenant a written rental agreement containing the terms  
101 governing the rental of the dwelling unit and setting forth the terms and conditions of the ~~landlord~~  
102 ~~tenant~~ landlord-tenant relationship and shall provide with it the statement of tenant rights and  
103 responsibilities developed by the Department of Housing and Community Development and posted on its  
104 website pursuant to § 36-139. The parties to a written rental agreement shall sign the form developed by  
105 the Department of Housing and Community Development and posted on its website pursuant to § 36-139  
106 acknowledging that the tenant has received from the landlord the statement of tenant rights and  
107 responsibilities. ~~Such~~ The written rental agreement shall be effective upon the date signed by the parties.

108 C. If a landlord does not offer a written rental agreement, the tenancy shall exist by operation of law,  
109 consisting of the following terms and conditions:

110 1. The provision of this chapter shall be applicable to the dwelling unit that is being rented;

111 2. The duration of the rental agreement shall be for 12 months and shall not be subject to automatic  
112 renewal, except in the event of a month-to-month lease as otherwise provided for under subsection C of  
113 § 55.1-1253;

114 3. Rent shall be paid in 12 equal periodic installments in an amount agreed upon by the landlord and  
115 the tenant and if no amount is agreed upon, the installments shall be at fair market rent;

116 4. Rent payments shall be due on the first day of each month during the tenancy and shall be  
117 considered late if not paid by the fifth of the month;

118 5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be  
119 entitled to charge a late charge as provided in this chapter;

120 6. The landlord may collect a security deposit not to exceed an amount equal to two months of rent;  
121 and

7. The parties may enter into a written rental agreement at any time during the 12-month tenancy created by this subsection.

D. Except as provided in the written rental agreement, or as provided in subsection C if no written agreement is offered, rent shall be payable without demand or notice at the time and place agreed upon by the parties. Except as provided in the written rental agreement, 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 a written statement 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.

E. Except as provided in the written rental agreement or, as provided in subsection C if no written agreement is offered, the tenancy shall be week-to-week in the case of a tenant who pays weekly rent and month-to-month in all other cases. Terminations of tenancies shall be governed by § 55.1-1253 unless the rental agreement provides for a different notice period.

F. If the rental agreement contains any provision allowing the landlord to approve or disapprove a sublessee or assignee of the tenant, the landlord shall, within 10 business days of receipt 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 is evidence of his approval.

G. The landlord shall provide a copy of any written rental agreement ~~signed by both the tenant and the landlord and the statement of tenant rights and responsibilities~~ to the tenant within one month of the effective date of the written rental agreement. The failure of the landlord to deliver such a rental agreement ~~and statement~~ shall not affect the validity of the agreement. *However, the landlord shall not file or maintain an action against the tenant in a court of law for any alleged lease violation unless he has provided the tenant with the statement of tenant rights and responsibilities.*

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

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

**2. That the Department of Housing and Community Development shall convene a stakeholder group consisting of landlords, property managers, and tenants, as well as attorneys knowledgeable in the Virginia Residential Landlord and Tenant Act (§ 55.1-1200 et seq. of the Code of Virginia) and other applicable provisions of the Code of Virginia relating to eviction procedures in residential landlord-tenant cases for the purpose of providing input into (i) the development of the form to be developed by the Director of the Department of Housing and Community Development for posting on its website pursuant to § 36-139, as amended by this act, acknowledging that a tenant has received from the landlord the statement of tenant rights and responsibilities and (ii) any updates to the statement of tenant rights and responsibilities.**