

Department of Planning and Budget
2020 Special Session I - Fiscal Impact Statement

1. Bill Number: SB5088

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: Ebbin

3. Committee: Passed both Houses.

4. Title: Virginia Residential Landlord and Tenant Act; landlord remedies; noncompliance with rental.

5. Summary: Requires a landlord who owns more than four rental dwelling units, or more than a 10 percent interest in more than four rental dwelling units, before terminating a rental agreement due to nonpayment of rent, to serve upon such tenant a written notice informing the tenant of the total amount due and owed and offer the tenant a payment plan under which the tenant must pay the total amount due and owed in equal monthly installments over a period of the lesser of six months or the time remaining under the rental agreement. The bill also outlines the remedies a landlord has if a tenant fails to pay the total amount due and owed or enter into a payment arrangement within 14 days of receiving notice or if the tenant enters into a payment arrangement but fails to pay within 14 days of the due date any rent that becomes due under the payment plan or arrangement after such plan or arrangement becomes effective. The bill clarifies that a tenant is not precluded from participating in any other rent relief programs available to the tenant through a nonprofit organization or under the provisions of a federal, state, or local law, regulation, or action. The bill sunsets on July 1, 2021.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: The Department of Housing and Community Development has no oversight or administrative obligations regarding the Virginia Residential Landlord and Tenant Act. The department does update and publish on its website the Landlord Tenant Handbook. Any legislative changes made to the Act will be updated, but the department can do so using current resources. This bill may impact the court system.

Enactment eight in the introduced budget bill, HB5005/SB5015, provides that no landlord shall terminate a tenancy, or take any action to obtain possession of a dwelling unit, for any reason other than those constituting a criminal or willful act posing a threat to health or safety pursuant to subsection C of § 55.1-1245 of the Code of Virginia until after April 30, 2021. Landlords shall notify all tenants of this moratorium and the availability, terms, and application process for the COVID-19 Housing Payment Plan, which is further prescribed in the language.

House and Senate amendments to HB5005/SB5015 replace the eviction moratorium language included in the proposed budget and establish the terms by which a landlord may evict a tenant for nonpayment. Any conflict that may exist between the provisions of these amendments and the provisions of this proposed legislation would default to the adopted budget language.

Utilizing \$50 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the Virginia Rent and Mortgage Relief Program (RMRP), provides assistance for households facing eviction or foreclosure due to COVID-19. RMRP will provide short-term financial assistance on behalf of households in the form of rent and mortgage payments.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; courts.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to HB5064.