

Department of Planning and Budget
2021 Special Session I - Fiscal Impact Statement

1. Bill Number: HB2014

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: Price

3. Committee: Passed both Houses.

4. Title: Virginia Residential Landlord and Tenant Act; landlord's acceptance of rent with reservation

5. Summary: Prohibits a landlord from accepting full payment of rent, as well as any damages, money judgment, award of attorney fees, and court costs, from a tenant and receiving an order of possession pursuant to an unlawful detainer action and proceeding with eviction, unless there are bases for the entry of an order of possession other than nonpayment of rent stated in the unlawful detainer action filed by the landlord. Under current law, a landlord may accept full or partial payment of all rent and receive an order of possession pursuant to an unlawful detainer action and proceed with eviction, provided that he has stated in a written notice to the tenant that any and all amounts owed to the landlord by the tenant, including payment of any rent, damages, money judgment, award of attorney fees, and court costs, would be accepted with reservation and would not constitute a waiver of the landlord's right to evict the tenant from the dwelling unit. The bill provides specific language that must be included within such notice, and requires a landlord who elects to seek possession of the dwelling unit to provide a copy of the notice to the court for service to the tenant along with the summons for unlawful detainer. The bill also allows tenants to exercise the right of redemption in unlawful detainer actions an unlimited number of times. The bill provides that a landlord with four or fewer rental dwelling units, or up to a 10 percent interest in four or fewer rental dwelling units, may limit a tenant's use of the right of redemption to once per lease period, provided that the landlord provides written notice of such limitation to the tenant. Under current law, tenants may only exercise the right of redemption once during any 12-month period of continuous residency in the dwelling unit, regardless of the term of the rental agreement or any renewal term of the rental agreement. The bill directs the Director of the Department of Housing and Community Development (Director) to develop a sample termination notice to be maintained on the Department of Housing and Community Development's (Department) website that includes language referencing acceptance of rent with reservation by a landlord following a breach of a lease by a tenant, and requires the Department to convene a stakeholder group to provide input to the Director regarding the development of such sample termination notice.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

- 8. Fiscal Implications:** It is anticipated that the costs associated with this bill can be absorbed by the Department of Housing and Community Development. The additional duties of this bill include developing a sample termination notice. Item 113 of HB1800/SB1100 includes \$3.3 million from the general fund in each year for the Eviction Prevention and Diversion Pilot Program, and budgetary language authorizes these funds to also be used to facilitate the development of a statement of tenant rights and responsibilities and implement the provisions of § 36-139 and § 55.1-1204, Code of Virginia. DHCD anticipates that the development of a sample termination notice can be done with the resources provided in Item 113.
- 9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development; courts.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** None.