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HOUSE BILL NO. 893**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on General Laws
on February 10, 2022)

(Patron Prior to Substitute—Delegate Maldonado)

*A BILL to amend and reenact § 55.1-1204 of the Code of Virginia, relating to the Virginia Residential Landlord and Tenant Act; terms and conditions of rental agreement; rent increase; notice.***Be it enacted by the General Assembly of Virginia:****1. That § 55.1-1204 of the Code of Virginia is amended and reenacted as follows:****§ 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental agreement for tenant.**

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

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

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

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

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

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

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

6. The landlord may collect a security deposit in an amount that does not exceed a total amount equal to two months of rent; 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. A landlord shall not charge a tenant for late payment of rent unless such charge is provided for in the written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10 percent of the remaining balance due and owed by the tenant.

F. 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.

G. 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

60 evidence of his approval.

61 H. The landlord shall provide a copy of any written rental agreement and the statement of tenant
62 rights and responsibilities to the tenant within one month of the effective date of the written rental
63 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect
64 the validity of the agreement. However, the landlord shall not file or maintain an action against the
65 tenant in a court of law for any alleged lease violation until he has provided the tenant with the
66 statement of tenant rights and responsibilities.

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

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

72 K. *A landlord that owns more than four rental dwelling units in the Commonwealth, or more than a*
73 *10 percent interest, either individually or through a business entity, in more than four rental dwelling*
74 *units in the Commonwealth, shall be required to provide written notice to any tenant who has the option*
75 *to renew a rental agreement or whose rental agreement contains an automatic renewal provision of any*
76 *increase in rent during the subsequent rental agreement term. Such notice shall be provided to the*
77 *tenant no less than 90 days prior to the end of the rental agreement term. This subsection shall not*
78 *apply to any periodic tenancy created pursuant to subsection C of § 55.1-1253.*