

Department of Planning and Budget

2013 Fiscal Impact Statement

1. Bill Number: HB1734

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Loupassi

3. Committee: Passed Both Houses

4. Title: Virginia Residential Landlord and Tenant Act.

5. Summary: Provides that where there is more than one tenant subject to a rental agreement, unless otherwise agreed to in writing by each of the tenants, disposition of the security deposit shall be made with one check being payable to all such tenants and sent to the forwarding address provided by the tenants. If the tenants do not provide the landlord a forwarding address to enable the landlord to make a refund of the security deposit, upon the expiration of one year from the date of the end of the 45-day statutory period, the balance of the tenants' security deposit shall escheat to the Commonwealth and shall be paid into the state treasury and credited to the Virginia Housing Partnership Revolving Fund. Upon payment to the Commonwealth, the landlord shall have no further liability to the tenant relative to the security deposit and is deemed in compliance with real estate licensing laws and corresponding regulations of the Real Estate Board. The bill also allows a landlord to proceed to obtain possession of the premises when rent is unpaid within five days after the landlord's pay or quit notice because an electronic fund transfer has been rejected due to insufficient funds or a bad faith stop order on an electronic payment by the tenant. The bill contains technical amendments.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8, below.

8. Fiscal Implications: The fiscal impact of the proposed legislation is indeterminate. Any expenditure impact that the bill may have to the Department of Housing and Community Development (DHCD) is anticipated to be minimal. DHCD would be required to update the Virginia Residential Landlord and Tenant Act (VRLTA) handbook it prepares annually to bring it into conformity with the Code revisions. The costs associated with this are anticipated to be minimal and could be absorbed within existing resources. Any revenue impact the bill may have is indeterminate. Provisions in §15.2-248.15:1, which require an escheat of unclaimed tenant security deposit refunds to the benefit of the Housing Partnership Fund after a 410-day period, are indeterminate at this time.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development, Virginia Housing Development Authority.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/19/13

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