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## SENATE BILL NO. 1087

Offered January 14, 2015

Prefiled January 13, 2015

A *BILL to amend the Code of Virginia by adding in Title 55 a chapter numbered 14.1, consisting of sections numbered 55-252.1, 55-252.2, and 55-252.3, relating to option contracts for the purchase of residential property; required provisions.*

Patron—Vogel

Referred to Committee for Courts of Justice

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

**1. That the Code of Virginia is amended by adding in Title 55 a chapter numbered 14.1, consisting of sections numbered 55-252.1, 55-252.2, and 55-252.3, as follows:**

**CHAPTER 14.1.****OPTION CONTRACTS FOR THE PURCHASE OF RESIDENTIAL PROPERTY.****§ 55-252.1. Option contracts for the purchase of residential property; required provisions.**

A. Whenever an owner of residential property enters into a contract that contains an option to purchase the property, the contract shall include the following provisions:

1. The terms related to the option, including the amount to be paid, the purchase price of the property, and the date by which the option must be exercised or when such option shall expire;

2. A statement indicating that it is the responsibility of the party purchasing the option to obtain third-party financing or another financing to purchase the property, should the option be exercised;

3. A statement that the owner will not offer to sell the property to another prospective purchaser until the option expires; and

4. A statement that the other party to the contract shall not obtain any ownership interest in the property unless the option is exercised.

B. For purposes of this section, "residential property" means single-family detached dwellings, single-family attached dwellings, and individual residential condominium units or individual lots in a development subject to the Property Owners' Association Act (§ 55-508 et seq.).

**§ 55-252.2. Residential rental agreement.**

Notwithstanding any law to the contrary, if the parties to such contract also enter into a rental agreement for the property, the rental agreement shall be a separate document and include a provision that it is subject to the provisions of the Virginia Residential Landlord and Tenant Act (§ 55-248.2 et seq.).

**§ 55-252.3. Failure of owner to include required contract provisions.**

If the owner fails to include the provisions required by this chapter in an option contract, the other party to the contract may cancel the option contract at any time and shall be entitled to (i) a full refund of any amount paid to the owner under the contract; (ii) actual damages or \$500, whichever is greater; and (iii) reasonable attorney fees.

INTRODUCED

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