

## **Department of Planning and Budget**

### **2017 Fiscal Impact Statement**

**1. Bill Number:** HB1623

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Yancey

**3. Committee:** General Laws

**4. Title:** Residential rental property.

**5. Summary:** Removes a provision that allows a tenant to remain in a dwelling unit that has been foreclosed upon pursuant to the federal Protecting Tenants at Foreclosure Act. The Act expired on December 31, 2014, and is no longer in effect. The bill also requires a current owner of rental property who has entered into a written property management agreement with a managing agent and who has subsequently entered into a purchase agreement with a new owner to give written notice to the managing agent requesting payment of security deposits to the current owner prior to settlement with the new owner. The bill requires the managing agent to transfer the security deposits to the current owner and provide written notice to each tenant that his security deposit has been transferred. The bill also provides that if there is in effect at the date of the foreclosure sale a tenant in the foreclosed residential dwelling unit, the foreclosure will act as a termination of the rental agreement by the landlord. In such case, the tenant may remain in the unit as a month-to-month tenant until the new owner gives notice of termination.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** No state fiscal impact.

**8. Fiscal Implications:** It is anticipated that this bill will not result in a fiscal impact to the Department of Professional and Occupational Regulation.

**9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.