

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: SB993

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

2. Patron: Stanley

3. Committee: Commerce and Labor

4. Title: Lease agreements; late charge.

5. Summary: This bill caps the amount of the late charge that a lessor may impose for the failure of the lessee to make timely payment of any periodic rent due under a lease of real property in the Commonwealth at five percent of the amount of the periodic rent due under the lease. The measure requires the late charge to be specified in the lease or rental agreement. A payment is timely if it is made within seven calendar days of the due date.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: It is anticipated that this bill will not result in a state fiscal impact. The bill caps the amount of a late charge that a lessor may impose on a lessee related to a late rent payment, which requires an update to the Virginia Residential Landlord and Tenant Act. The Department of Housing and Community Development has no oversight or administrative obligations regarding the Virginia Residential Landlord and Tenant Act. The department does update and publish on its website the Landlord Tenant Handbook. Any legislative changes made to the Act will be updated, but the department can do so using current resources.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; local courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.