

19104077D

HOUSE BILL NO. 2655

Offered January 11, 2019

A *BILL to amend the Code of Virginia by adding in Chapter 13.2 of Title 55 an article numbered 7, consisting of sections numbered 55-248.40:1 through 55-248.40:4, relating to the Eviction Diversion Pilot Program.*

Patrons—Collins, Aird, Carr and Murphy

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 13.2 of Title 55 an article numbered 7, consisting of sections numbered 55-248.40:1 through 55-248.40:4 as follows:

*Article 7.**Eviction Diversion Pilot Program.***§ 55-248.40:1. Establishment of Eviction Diversion Pilot Program; purpose; goals.**

A. There is hereby established the Eviction Diversion Pilot Program (the Program) within the existing structure of the general district courts for the cities of Danville, Hampton, Petersburg, and Richmond. The purpose of the Program shall be to encourage the development of consistent methods for resolving unlawful detainer actions and to reduce the number of evictions of low-income persons. Notwithstanding any other provision of law, no eviction diversion court or program shall be established except in conformance with this section.

B. The goals of the Program shall include (i) reducing the number of evictions of low-income persons from their residential dwelling units for the failure to pay small amounts of money under the rental agreement, in particular when such persons have experienced an event that adversely affected financial circumstances such as the loss of employment or a medical crisis in their immediate family; (ii) reducing displacement of families from their homes and the resulting adverse consequences to children who are no longer able to remain in the same public school after eviction; (iii) encouraging the development of uniform court forms that describe all eviction-related processes and facilitate the landlord's and tenant's entering into a reasonable payment plan that provides for the landlord to receive full rental payments as contracted for in the rental agreement and for the tenant to have the opportunity to make current such rental payments; and (iv) encouraging tenants to make rental payments in the manner as provided in the rental agreement.

§ 55-248.40:2. Eviction Diversion Pilot Program; administration.

A. Administrative oversight of the implementation of the Program shall be conducted by the Executive Secretary of the Supreme Court of Virginia (Executive Secretary). The Executive Secretary shall be responsible for providing (i) oversight for the distribution of state funds appropriated for eviction diversion programs in the general district courts; (ii) technical assistance to general district courts participating in the Program; (iii) training for judges who preside over general district courts participating in the Program; and (iv) training to the providers of administrative, case management, and other services to courts participating in the Program.

B. The Executive Secretary shall prepare uniform court forms for the payment agreement between the landlord and tenant required by subsection B of § 55-248.40:3 and the notice of the tenant's failure to make payments required by subsection D of § 55-248.40:3. Such forms shall be made available in the office of the general district court clerk for each court participating in the Program.

C. The Executive Secretary shall provide instructions to any general district court participating in the Program on the collection of data to be used to evaluate the most effective methods for using the resources available to the court system to address the increasing number of evictions and to reduce the eviction-related workload of the court system. The Executive Secretary shall provide this data upon request to the Virginia Housing Commission to assist in monitoring the evaluation of the effectiveness and efficiency of the Program.

§ 55-248.40:3. Eviction Diversion Pilot Program; process; court-ordered payment plan.

A. A tenant in an unlawful detainer case shall be eligible to participate in the Program if he:

1. Appears in court on the first docket call of the case and requests to have the case referred into the Program;
2. Pays to the landlord or into the court at least 25 percent of the amount due on the unlawful detainer as amended on the first docket call of the case;
3. Provides sworn testimony that he is employed and has sufficient funds to make the payments under the court payment plan, or otherwise has sufficient funds to make such payments;

59 4. Provides sworn testimony explaining the reasons for being unable to make rental payments as
60 contracted for in the rental agreement;

61 5. Has not been late within the last 12 months in payment of rent as contracted for in the rental
62 agreement at the rate of either (i) more than two times in six months or (ii) more than three times in 12
63 months;

64 6. Has not exercised the right of redemption pursuant to § 55-248.34:1 within the last six months;
65 and

66 7. Has not participated in an eviction diversion program within the last 12 months.

67 B. The court shall direct an eligible tenant pursuant to subsection A and his landlord to participate
68 in the Program and to enter into a court-ordered payment plan. The court shall provide for a
69 continuance of the case on the docket of the general district court in which the unlawful detainer action
70 is filed to allow for full payment under the plan. The court-ordered payment plan shall be based on a
71 payment agreement entered into by the landlord and tenant and shall contain the following provisions:

72 1. All payments shall be (i) made to the landlord; (ii) paid by cashier's check, certified check, or
73 money order; and (iii) received by the landlord on or before the fifth day of each month included in the
74 plan;

75 2. The remaining payments of the amounts on the amended unlawful detainer after the first payments
76 made on the first docket call of the case shall be paid on the following schedule: (i) 25 percent due by
77 the fifth day of the month following the initial court hearing date, (ii) 25 percent due by the fifth day of
78 the second month following the initial court hearing date, and (iii) the final payment of 25 percent due
79 by the fifth day of the third month following the initial court hearing date; and

80 3. All rental payments shall continue to be made by the tenant to the landlord as contracted for in
81 the rental agreement within five days of the due date established by the rental agreement each month
82 during the course of the court-ordered payment plan.

83 C. If the tenant makes all payments in accordance with the court-ordered payment plan, the judge
84 shall dismiss the unlawful detainer as being satisfied.

85 D. If the tenant fails to make a payment under the court-ordered payment plan or to keep current
86 any monthly rental payments to the landlord as contracted for in the rental agreement within five days
87 of the due date established by the rental agreement, the landlord shall submit to the general district
88 court clerk a written notice that the tenant has failed to make payments in accordance with the plan. A
89 copy of such written notice shall be given to the tenant in accordance with § 55-248.6.

90 The court shall enter an order of possession without further hearings or proceedings, unless the
91 tenant files an affidavit with the court stating that the current rent has in fact been paid and that the
92 landlord has not properly acknowledged payment of such rent. A copy of such affidavit shall be given to
93 the landlord in accordance with § 55-248.6.

94 The landlord may seek a money judgement for final rent and damages pursuant to subsection B of §
95 8.01-128.

96 E. Nothing in this section shall be construed to limit (i) the landlord from filing an unlawful detainer
97 for a non-rent violation against the tenant while such tenant is participating in the Program or (ii) the
98 landlord and tenant from entering into a voluntary payment agreement outside the provisions of this
99 section.

100 **§ 55-248.40:4. State Eviction Diversion Pilot Program Advisory Committee; duties.**

101 A. The Virginia Housing Commission shall establish a State Eviction Diversion Pilot Program
102 Advisory Committee (Committee). The Committee shall consist of stakeholders appointed by the chair of
103 the Commission.

104 B. The Committee shall have the duty to (i) evaluate and recommend to the Commission standards
105 for the planning and implementation of a statewide eviction diversion program; (ii) assist the
106 Commission in the evaluation of the effectiveness and efficiency of the Program; and (iii) encourage and
107 enhance cooperation among participating agencies regarding the planning and implementation of the
108 Program.

109 2. That it is the intent of the General Assembly, recognizing the critical need in the
110 Commonwealth to reduce the number of evictions of low-income persons from residential dwelling
111 units, to establish an eviction diversion pilot program to develop data for use in evaluating the
112 benefits and costs associated with such a program.

113 3. That the provisions of the first enactment of this act shall become effective on July 1, 2020.

114 4. That the provisions of the first enactment of this act shall expire on July 1, 2023.

115 5. That the Virginia Housing Commission (Commission) shall develop a statewide evaluation model
116 and conduct ongoing evaluations of the effectiveness and efficiency of the eviction diversion pilot
117 program established by the first enactment of this act. To assist the Commission, the Office of the
118 Executive Secretary of the Virginia Supreme Court shall provide the data requested by the
119 Commission in electronic format, at such times as requested by the Commission. To further assist
120 in evaluation of the eviction diversion pilot program, each participating general district court shall

121 submit evaluative reports to the Commission as requested.

122 6. That beginning on July 1, 2022, the Virginia Housing Commission shall evaluate data submitted
123 by the Office of the Executive Secretary of the Virginia Supreme Court and general district courts
124 participating in the eviction diversion pilot program. The Commission shall submit a report on its
125 findings on or before November 30, 2022, to the General Assembly and the Chairs of the Senate
126 Committees on Finance and Courts of Justice and the Chairs of the House Committees on
127 Appropriations, Finance, and Courts of Justice, including recommendations for legislation for the
128 2023 Session of the General Assembly.

129 7. That the provisions of this section shall not apply to any tenant who has exercised the right of
130 redemption pursuant to § 55-248.34:1 of the Code of Virginia at any time before July 1, 2020.