

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** SB707

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

**2. Patron:** McClellan

**3. Committee:** Passed both Houses.

**4. Title:** Landlord and tenant; tenant rights and responsibilities; explanation and remedy for material noncompliance.

**5. Summary:** Requires the Director of the Department of Housing and Community Development to develop a statement of tenant rights and responsibilities explaining in plain language the rights and responsibilities of tenants under the Virginia Residential Landlord and Tenant Act (§ 55.1-1200 et seq.) and maintain such statement on the Department's website along with a form to be signed by the parties to a rental agreement. The bill requires that the statement be provided to any prospective tenant and that the form developed by the Department be signed by the parties to the rental agreement. The statement shall provide the telephone number and website address for the statewide legal aid organization and direct tenants with questions about their rights and responsibilities to contact such organization. Failure to provide the statement of tenant rights and responsibilities to a prospective tenant shall not affect the validity of the agreement. However, the landlord shall not file or maintain an action against the tenant in a court of law for any alleged lease violation unless he has provided the tenant with the statement of tenant rights and responsibilities.

**6. Budget Amendment Necessary:** No, see item 8.

**7. Fiscal Impact Estimates:** Final.

**8. Fiscal Implications:** It is anticipated that this bill will increase the Department of Housing and Community Development's (DHCD) involvement with the Virginia Residential Landlord Tenant Act (VRLTA). The bill requires DHCD to develop a statement of tenant rights and responsibilities under the VRLTA and to post such document on the agency's website. In addition, the form is to be signed by all parties to the rental agreement. Currently, DHCD has no oversight or administrative obligations regarding the Virginia Residential Landlord and Tenant Act, other than updating and publishing the Landlord Tenant Handbook on its website. However, the agency does receive and respond to approximately 30 inquiries per month from both landlords and tenants regarding the VRLTA.

As enrolled, the bill requires that the statement of tenant rights and responsibilities include the telephone number and website address for the statewide legal aid organization and direct tenants with questions about their rights and responsibilities to contact such organization.

The bill requires DHCD to convene a stakeholder group to assist with the development of the form. It is anticipated that this action can be completed within current resources.

**9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development.

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

**11. Other Comments:** HB393 is the companion to this bill.