

Department of Planning and Budget
2020 Special Session I - Fiscal Impact Statement

1. Bill Number: HB5106

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Cole, J.G.

3. Committee: General Laws and Technology

4. Title: Landlord and tenant, noncompliance with rental agreement; prohibition on reporting negative credit.

5. Summary: Provides that a landlord shall not take any adverse action against a tenant or applicant for tenancy based on any adverse item related to payment history or an eviction for nonpayment of rent that occurred during the period beginning on March 12, 2020, and ending 30 days after the expiration or revocation of any state of emergency declared by the Governor related to the COVID-19 pandemic. If a landlord uses a consumer or tenant screening report and the consumer or tenant screening report determination is anything other than "qualified," and the report does not provide the reason for such determination, a landlord shall make a good faith effort to contact the generator of the report to ascertain whether such determination was due solely to the tenant or applicant for tenancy's payment history or an eviction for nonpayment of rent that occurred during the period beginning on March 12, 2020, and ending 30 days after the expiration or revocation of any state of emergency declared by the Governor related to the COVID-19 pandemic. If the landlord does not receive a response from the generator of the report within three business days, the landlord may proceed with using the information from the report without additional action. If a landlord does not comply with the provisions of this subsection, the tenant or applicant for tenancy may recover damages of up to \$1,000, along with attorney fees.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: 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. This bill may impact the court system.

Enactment eight in the introduced budget bill, HB5005/SB5015, provides that no landlord shall terminate a tenancy, or take any action to obtain possession of a dwelling unit, for any reason other than those constituting a criminal or willful act posing a threat to health or safety pursuant to subsection C of § 55.1-1245 of the Code of Virginia until after April 30, 2021. Landlords shall notify all tenants of this moratorium and the availability, terms, and

application process for the COVID-19 Housing Payment Plan, which is further prescribed in the language. If this language is adopted, any conflict that may exist between its provisions and the provisions of this proposed legislation would default to the adopted budget language.

Utilizing \$50 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, the Virginia Rent and Mortgage Relief Program (RMRP), provides assistance for households facing eviction or foreclosure due to COVID-19. RMRP will provide short-term financial assistance on behalf of households in the form of rent and mortgage payments.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.