

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

1. Bill Number: SB5051

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

2. Patron: Hashmi

3. Committee: Finance and Appropriations

4. Title: Virginia Residential Landlord and Tenant Act; temporary prohibition against landlord termination.

5. Summary: Provides that, notwithstanding any provision of law to the contrary, no rental agreement shall be terminated pursuant to § 55.1-1245 of the Code of Virginia, no order of possession shall be issued pursuant to § 8.01-126 of the Code of Virginia, and no writ of eviction shall be issued pursuant to § 8.01-470 of the Code of Virginia for any reason until 90 days after the expiration or revocation of all states of emergency declared by the Governor related to the COVID-19 pandemic, unless such action is (i) in response to a criminal or willful act that is not remediable and that poses a threat to health or safety pursuant to subsection C of § 55.1-1245 of the Code of Virginia; (ii) based on a tenant's nonpayment of rent and a local or state agency administering a rental assistance program has found the tenant ineligible for rental assistance based on an ability to pay rent; or (iii) based on the tenant's nonpayment of rent. The bill also provides for requirements on landlords to provide tenants with certain information.

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.

Additionally, \$4 million, consisting of a \$2.0 million donation to the Commonwealth from IKEA U.S. Community Foundation matched by \$2.0 million from Virginia's COVID-19 Relief Fund, will support 20 Legal Aid attorneys providing services to tenants facing eviction.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.