

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

1. Bill Number: SB5088

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

2. Patron: Ebbin

3. Committee: General Laws and Technology

4. Title: Virginia Residential Landlord and Tenant Act; landlord remedies;
noncompliance with rental.

- 5. Summary:** Requires a landlord who owns more than four rental dwelling units, or more than a 10 percent interest in more than four rental dwelling units, before terminating a rental agreement due to nonpayment of rent, to serve upon such tenant a written notice informing the tenant that if the tenant provides to the landlord a signed statement certifying that the tenant has experienced expenses or a loss of income due to the declared state of emergency, the tenant may enter into a payment plan under which the tenant shall be required to pay the total amount due and owed in equal monthly installments over a period of the lesser of six months or the time remaining under the rental agreement. The total amount due and owed under a payment plan shall not include any late fees, and no late fees shall be assessed during any time period in which a tenant is making timely payments under a payment plan. The written notice shall also inform the tenant that if the tenant fails to either pay the total amount due and owed or enter into the payment plan offered, or an alternative payment arrangement acceptable to the landlord, within five days of receiving the written notice from the landlord, the landlord may terminate the rental agreement and proceed to obtain possession of the premises as provided in § 55.1-1251. The bill clarifies that a tenant is not precluded from participating in any other rent relief programs available to the tenant through a nonprofit organization or under the provisions of a federal, state, or local law, regulation, or action.

As substituted, the provisions of this subsection shall not be enforceable unless activated by executive order during a declared state of emergency pursuant to § 44-146.17, Code of Virginia.

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.