

Department of Planning and Budget

2021 Fiscal Impact Statement

1. Bill Number: HB2229

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

2. Patron: Simon

3. Committee: General Laws

4. Title: Virginia Residential Landlord and Tenant Act; responsibilities of real estate brokers; foreclosure.

5. Summary: Provides that if a dwelling unit used as a single-family residence is foreclosed upon and there is a tenant in such dwelling unit on the date of the foreclosure sale, if the successor in interest acquires the dwelling unit for the purpose of occupying such unit as his primary residence, the rental agreement terminates and the tenant is required to vacate the dwelling unit on a date not less than 90 days after receiving written notice. The bill also provides that if the successor in interest acquires the dwelling unit for any other purpose, the successor in interest acquires the dwelling unit subject to the rental agreement and is required to permit the tenant to occupy the dwelling unit for the remaining term of the lease. Under current law, the foreclosure sale acts as a termination of the rental agreement by the owner, but the tenant is permitted to remain in possession of the dwelling unit as a month-to-month tenant on the terms of the terminated rental agreement until the successor owner gives a notice of termination of the month-to-month tenancy. The bill contains technical amendments.

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. There is no impact anticipated to the Department of Professional and Occupational Regulation.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.