

Department of Planning and Budget

2021 Special Session I - Fiscal Impact Statement

1. Bill Number: HB2249

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

2. Patron: McQuinn

3. Committee: General Laws and Technology

4. Title: Virginia Residential Landlord and Tenant Act; landlord charges for security deposits.

5. Summary: Prohibits a landlord from requiring a tenant to pay a security deposit, insurance premiums for damage insurance, and insurance premiums for renter's insurance prior to the commencement of the tenancy that exceed the amount of two months' periodic rent. The bill permits a landlord, however, to add a monthly amount as additional rent to recover additional costs of such renter's insurance premiums. For a tenant that opts out of the landlord's damage insurance program, the landlord shall allow such tenant to either provide their own damage insurance policy or pay the full security deposit. Finally, the bill requires nonresident property owners to file the name and office address of the agent appointed by such nonresident property owner in the office of the clerk of the State Corporation Commission. Under current law, such information must be filed in the office of the clerk of the court in which deeds are recorded in the county or city in which the property lies.

6. Budget Amendment Necessary: Yes, to Item 483 of HB1800/SB100.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	n/a	n/a	n/a
2022	\$73,620	n/a	NGF

8. Fiscal Implications: It is anticipated that this bill will result in a one-time expenditure impact to the State Corporation Commission (SCC). To implement the provisions, SCC will need to modify the Clerk's Registration System at an estimated cost of \$73,620. The estimate was provided by the Clerk's Office software provider.

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.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.