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HOUSE BILL NO. 2441

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on February 15, 2023)

(Patron Prior to Substitute—Delegate Price)

A BILL to amend and reenact §§ 55.1-1204 and 55.1-1253 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; termination of multiple month-to-month tenancies by landlord.

Be it enacted by the General Assembly of Virginia:

1. That §§ 55.1-1204 and 55.1-1253 of the Code of Virginia are amended and reenacted as follows:

§ 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental agreement for tenant.

A. A landlord and tenant may include in a rental agreement terms and conditions not prohibited by this chapter or other rule of law, including rent, charges for late payment of rent, the term of the agreement, automatic renewal of the rental agreement, requirements for notice of intent to vacate or terminate the rental agreement, and other provisions governing the rights and obligations of the parties.

B. A landlord shall offer a prospective tenant a written rental agreement containing the terms governing the rental of the dwelling unit and setting forth the terms and conditions of the landlord-tenant relationship and shall provide with it the statement of tenant rights and responsibilities developed by the Department of Housing and Community Development and posted on its website pursuant to § 36-139. The parties to a written rental agreement shall sign the form developed by the Department of Housing and Community Development and posted on its website pursuant to § 36-139 acknowledging that the tenant has received from the landlord the statement of tenant rights and responsibilities. The written rental agreement shall be effective upon the date signed by the parties.

C. If a landlord does not offer a written rental agreement, the tenancy shall exist by operation of law, consisting of the following terms and conditions:

1. The provision of this chapter shall be applicable to the dwelling unit that is being rented;

2. The duration of the rental agreement shall be for 12 months and shall not be subject to automatic renewal, except in the event of a month-to-month lease as otherwise provided for under subsection C of § 55.1-1253;

3. Rent shall be paid in 12 equal periodic installments in an amount agreed upon by the landlord and the tenant and if no amount is agreed upon, the installments shall be at fair market rent;

4. Rent payments shall be due on the first day of each month during the tenancy and shall be considered late if not paid by the fifth of the month;

5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be entitled to charge a late charge as provided in this chapter;

6. The landlord may collect a security deposit in an amount that does not exceed a total amount equal to two months of rent; and

7. The parties may enter into a written rental agreement at any time during the 12-month tenancy created by this subsection.

D. Except as provided in the written rental agreement, or as provided in subsection C if no written agreement is offered, rent shall be payable without demand or notice at the time and place agreed upon by the parties. Except as provided in the written rental agreement, rent is payable at the place designated by the landlord, and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal installments at the beginning of each month. If the landlord receives from a tenant a written request for a written statement of charges and payments, he shall provide the tenant with a written statement showing all debits and credits over the tenancy or the past 12 months, whichever is shorter. The landlord shall provide such written statement within 10 business days of receiving the request.

E. A landlord shall not charge a tenant for late payment of rent unless such charge is provided for in the written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10 percent of the remaining balance due and owed by the tenant.

F. Except as provided in the written rental agreement or, as provided in subsection C if no written agreement is offered, the tenancy shall be week-to-week in the case of a tenant who pays weekly rent and month-to-month in all other cases. Terminations of tenancies shall be governed by § 55.1-1253 unless the rental agreement provides for a different notice period.

G. If the rental agreement contains any provision allowing the landlord to approve or disapprove a sublessee or assignee of the tenant, the landlord shall, within 10 business days of receipt of the written application of the prospective sublessee or assignee on a form to be provided by the landlord, approve or disapprove the sublessee or assignee. Failure of the landlord to act within 10 business days is

60 evidence of his approval.

61 H. The landlord shall provide a copy of any written rental agreement and the statement of tenant
62 rights and responsibilities to the tenant within one month of the effective date of the written rental
63 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect
64 the validity of the agreement. However, the landlord shall not file or maintain an action against the
65 tenant in a court of law for any alleged lease violation until he has provided the tenant with the
66 statement of tenant rights and responsibilities.

67 I. No unilateral change in the terms of a rental agreement by a landlord or tenant shall be valid
68 unless (i) notice of the change is given in accordance with the terms of the rental agreement or as
69 otherwise required by law and (ii) both parties consent in writing to the change.

70 J. The landlord shall provide the tenant with a written receipt, upon request from the tenant,
71 whenever the tenant pays rent in the form of cash or money order.

72 **§ 55.1-1253. Periodic tenancy; holdover remedies.**

73 A. The landlord or the tenant may terminate a week-to-week tenancy by serving a written notice on
74 the other at least seven days prior to the next rent due date. The landlord or the tenant may terminate a
75 month-to-month tenancy by serving a written notice on the other at least 30 days prior to the next rent
76 due date, unless the rental agreement provides for a different notice period. The landlord and the tenant
77 may agree in writing to an early termination of a rental agreement. In the event that no such agreement
78 is reached, the provisions of § 55.1-1251 shall control.

79 B. *Notwithstanding the provisions of subsection A, any owner of a multifamily premises that fails to*
80 *renew the greater of either 20 or more month-to-month tenancies or 50 percent of the month-to-month*
81 *tenancies within a consecutive 30-day period in the same multifamily premises shall serve written notice*
82 *on each such tenant at least 60 days prior to allowing such tenancy to expire. For the purposes of this*
83 *subsection, 60 days' notice shall not be required to allow a tenancy to expire where the tenant has*
84 *failed to pay rent in accordance with the rental agreement.*

85 C. If the tenant remains in possession without the landlord's consent after expiration of the term of
86 the rental agreement or its termination, the landlord may bring an action for possession and may also
87 recover actual damages, reasonable attorney fees, and court costs, unless the tenant proves by a
88 preponderance of the evidence that the failure of the tenant to vacate the dwelling unit as of the
89 termination date was reasonable. The landlord may include in the rental agreement a reasonable
90 liquidated damage penalty, not to exceed an amount equal to 150 percent of the per diem of the
91 monthly rent, for each day the tenant remains in the dwelling unit after the termination date specified in
92 the landlord's notice. However, if the dwelling unit is a public housing unit or other housing unit subject
93 to regulation by the U.S. Department of Housing and Urban Development, any liquidated damage
94 penalty shall not exceed an amount equal to the per diem of the monthly rent set out in the lease
95 agreement. If the landlord consents to the tenant's continued occupancy, § 55.1-1204 applies.

96 C. D. In the event of termination of a rental agreement where the tenant remains in possession with
97 the agreement of the landlord either as a hold-over tenant or a month-to-month tenant and no new rental
98 agreement is entered into, the terms of the terminated agreement shall remain in effect and govern the
99 hold-over or month-to-month tenancy, except that the amount of rent shall be either as provided in the
100 terminated rental agreement or the amount set forth in a written notice to the tenant, provided that such
101 new rent amount shall not take effect until the next rent due date coming 30 days after the notice.