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HOUSE BILL NO. 967

Offered January 10, 2024

Prefiled January 9, 2024

A BILL to amend and reenact §§ 36-139 and 55.1-1204 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; Department of Housing and Community Development; mandatory fees.

Patrons—Lopez, Shin, Bennett-Parker, Clark, Henson, Martinez, Rasoul and Simonds

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 36-139 and 55.1-1204 of the Code of Virginia are amended and reenacted as follows:

§ 36-139. Powers and duties of Director.

The Director of the Department of Housing and Community Development shall have the following responsibilities:

1. Collecting from the governmental subdivisions of the Commonwealth information relevant to their planning and development activities, boundary changes, changes of forms and status of government, intergovernmental agreements and arrangements, and such other information as he may deem necessary.

2. Making information available to communities, planning district commissions, service districts and governmental subdivisions of the Commonwealth.

3. Providing professional and technical assistance to, and cooperating with, any planning agency, planning district commission, service district, and governmental subdivision engaged in the preparation of development plans and programs, service district plans, or consolidation agreements.

4. Assisting the Governor in the providing of such state financial aid as may be appropriated by the General Assembly in accordance with § 15.2-4216.

5. Administering federal grant assistance programs, including funds from the Appalachian Regional Commission, the Economic Development Administration and other such federal agencies, directed at promoting the development of the Commonwealth's communities and regions.

6. Developing state community development policies, goals, plans and programs for the consideration and adoption of the Board with the ultimate authority for adoption to rest with the Governor and the General Assembly.

7. Developing a Consolidated Plan to guide the development and implementation of housing programs and community development in the Commonwealth for the purpose of meeting the housing and community development needs of the Commonwealth and, in particular, those of low-income and moderate-income persons, families and communities.

8. Determining present and future housing requirements of the Commonwealth on an annual basis and revising the Consolidated Plan, as necessary to coordinate the elements of housing production to ensure the availability of housing where and when needed.

9. Assuming administrative coordination of the various state housing programs and cooperating with the various state agencies in their programs as they relate to housing.

10. Establishing public information and educational programs relating to housing; devising and administering programs to inform all citizens about housing and housing-related programs that are available on all levels of government; designing and administering educational programs to prepare families for home ownership and counseling them during their first years as homeowners; and promoting educational programs to assist sponsors in the development of low and moderate income housing as well as programs to lessen the problems of rental housing management.

11. Administering the provisions of the Industrialized Building Safety Law (§ 36-70 et seq.).

12. Administering the provisions of the Uniform Statewide Building Code (§ 36-97 et seq.).

13. Establishing and operating a Building Code Academy for the training of persons in the content, application, and intent of specified subject areas of the building and fire prevention regulations promulgated by the Board of Housing and Community Development.

14. Administering, in conjunction with the federal government, and promulgating any necessary regulations regarding energy standards for existing buildings as may be required pursuant to federal law.

15. Identifying and disseminating information to local governments about the availability and utilization of federal and state resources.

16. Administering, with the cooperation of the Department of Health, state assistance programs for public water supply systems.

17. Advising the Board on matters relating to policies and programs of the Virginia Housing Trust

59 Fund.

60 18. Designing and establishing program guidelines to meet the purposes of the Virginia Housing
61 Trust Fund and to carry out the policies and procedures established by the Board.

62 19. Preparing agreements and documents for loans and grants to be made from the Virginia Housing
63 Trust Fund; soliciting, receiving, reviewing and selecting the applications for which loans and grants are
64 to be made from such fund; directing the Virginia Housing Development Authority and the Department
65 as to the closing and disbursing of such loans and grants and as to the servicing and collection of such
66 loans; directing the Department as to the regulation and monitoring of the ownership, occupancy and
67 operation of the housing developments and residential housing financed or assisted by such loans and
68 grants; and providing direction and guidance to the Virginia Housing Development Authority as to the
69 investment of moneys in such fund.

70 20. Establishing and administering program guidelines for a statewide homeless intervention program.

71 21. Administering 15 percent of the Low Income Home Energy Assistance Program (LIHEAP) Block
72 Grant and any contingency funds awarded and carry over funds, furnishing home weatherization and
73 associated services to low-income households within the Commonwealth in accordance with applicable
74 federal law and regulations.

75 22. Developing a strategy concerning the expansion of affordable, accessible housing for older
76 Virginians and Virginians with disabilities, including supportive services.

77 23. Serving as the Executive Director of the Commission on Local Government as prescribed in
78 § 15.2-2901 and perform all other duties of that position as prescribed by law.

79 24. Developing a strategy, in consultation with the Virginia Housing Development Authority, for the
80 creation and implementation of housing programs and community development for the purpose of
81 meeting the housing needs of persons who have been released from federal, state, and local correctional
82 facilities into communities.

83 25. Administering the Private Activity Bonds program in Chapter 50 (§ 15.2-5000 et seq.) of Title
84 15.2 jointly with the Virginia Small Business Financing Authority and the Virginia Housing
85 Development Authority.

86 26. Developing a statement of tenant rights and responsibilities explaining in plain language the
87 rights and responsibilities of tenants under the Virginia Residential Landlord and Tenant Act
88 (§ 55.1-1200 et seq.) and maintaining such statement on the Department's website. The Director shall
89 also develop and maintain on the Department's website a printable form to be signed by the parties to a
90 written rental agreement acknowledging that the tenant has received from the landlord the statement of
91 tenant rights and responsibilities as required by § 55.1-1204. The Director may at any time amend the
92 statement of tenant rights and responsibilities and such printable form as the Director deems necessary
93 and appropriate. The statement of tenant rights and responsibilities shall contain a plain language
94 explanation of the rights and responsibilities of tenants in at least 14-point type. The statement shall
95 provide the telephone number and website address for the statewide legal aid organization and direct
96 tenants with questions about their rights and responsibilities to contact such organization.

97 27. Developing a statement of tenant rights and responsibilities explaining in plain language the
98 rights and responsibilities of tenants under the Virginia Manufactured Home Lot Rental Act (§ 55.1-1300
99 et seq.) and maintaining such statement on the Department's website. The Director shall also develop
100 and maintain on the Department's website a printable form to be signed by the parties to a written rental
101 agreement acknowledging that the tenant has received from the landlord the statement of tenant rights
102 and responsibilities as required by § 55.1-1303. The Director may at any time amend the statement of
103 tenant rights and responsibilities and such printable form as the Director deems necessary and
104 appropriate. The statement of tenant rights and responsibilities shall contain a plain language explanation
105 of the rights and responsibilities in at least 14-point type. The statement shall provide the telephone
106 number and website address for the statewide legal aid organization and direct tenants with questions
107 about their rights and responsibilities to contact such organization.

108 28. Developing a sample termination notice that includes language referencing acceptance of rent
109 with reservation by a landlord following a breach of a lease by a tenant in accordance with § 55.1-1250.
110 The sample termination notice shall be in at least 14-point type and shall be maintained on the
111 Department's website.

112 29. Developing and operating a Virginia Residential Sites and Structures Locator database to assist
113 localities in marketing any structures and parcels determined by the locality to be suitable for future
114 residential or mixed-use development or redevelopment and that are under (i) public ownership, (ii)
115 public and private ownership, or (iii) private ownership if the owner or owners have authorized the
116 locality to market the structure or parcel for future residential or mixed-use development or
117 redevelopment purposes.

118 30. Conducting a comprehensive statewide housing needs assessment at least every five years, which
119 shall include (i) a review of housing cost burden and instability, supply and demand for affordable rental
120 housing, and supply and demand for affordable for-sale housing and (ii) regional or local profiles that

focus on specific housing needs of particular regions or localities.

31. Developing a statewide housing plan that reflects the findings of the statewide housing needs assessment conducted pursuant to subdivision 30, which plan shall include measurable goals and be updated at least every five years to reflect changes in the Commonwealth's housing goals, and providing an annual report to the General Assembly on progress toward meeting the goals identified in such plan and the availability of housing that is accessible to people with disabilities.

32. Collecting reports submitted by localities pursuant to § 36-139.9 in any manner prescribed by the Department, including any forms developed by the Department to collect the information required to be reported by the localities pursuant to such section and publishing such reports on its website.

33. *Collecting data on the type and amount of mandatory fees tenants are required to pay in the Commonwealth and including such data in the annual report submitted pursuant to subdivision 31.*

34. Carrying out such other duties as may be necessary and convenient to the exercise of powers granted to the Department.

§ 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. *Any advertisement for a rental unit governed by this chapter and the first page of any rental agreement entered into between a landlord and tenant shall contain any mandatory fees that a tenant will be charged in addition to the rent, such as utilities that are not included in the rent.*

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.

If a tenant fails to sign the form available pursuant to this subsection, the landlord shall record the date or dates on which he provided the form to the tenant and the fact that the tenant failed to sign such form. Subsequent to the effective date of the tenancy, a landlord may, but shall not be required to, provide a tenant with and allow such tenant an opportunity to sign the form described pursuant to this subsection. The form shall be current as of the date of delivery.

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 D 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

182 the written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic
183 rent or 10 percent of the remaining balance due and owed by the tenant.

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

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

193 H. The landlord shall provide a copy of any written rental agreement and the statement of tenant
194 rights and responsibilities to the tenant within one month of the effective date of the written rental
195 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect
196 the validity of the agreement. However, the landlord shall not file or maintain an action, including any
197 summons for unlawful detainer, against the tenant in a court of law for any alleged lease violation until
198 he has provided the tenant with the statement of tenant rights and responsibilities.

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

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

204 K. A landlord who owns more than four rental dwelling units or more than a 10 percent interest in
205 more than four rental dwelling units, whether individually or through a business entity, in the
206 Commonwealth, shall be required to provide written notice to any tenant who has the option to renew a
207 rental agreement or whose rental agreement contains an automatic renewal provision of any increase in
208 rent during the subsequent rental agreement term. Such notice shall be provided to the tenant no less
209 than 60 days prior to the end of the rental agreement term. This subsection shall not apply to any
210 periodic tenancy created pursuant to subsection C of § 55.1-1253.