

SENATE BILL NO. 366

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology

on _____)

(Patron Prior to Substitute--Senator Boysko)

A BILL to amend the Code of Virginia by adding a section numbered 15.2-959.1, relating to local anti-rent gouging authority; civil penalty.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 15.2-959.1 as follows:

§ 15.2-959.1. Local anti-rent gouging authority; civil penalty.

A. Notwithstanding the provisions of the Virginia Residential Landlord and Tenant Act (§ 55.1-1200 et seq.) or any other provision of law, general or special, a county with a population greater than 400,000 that has not adopted an optional form of county government may by ordinance adopt anti-rent gouging provisions in accordance with this section. No such ordinance shall be adopted until the proposed ordinance has been posted on such county's website and advertised in a newspaper of general circulation in the county at least two weeks prior to a public hearing on such an ordinance.

B. A county that adopts an ordinance pursuant to this section:

1. Shall set an annual residential anti-rent gouging allowance that is between seven and 15 percent. Notice of the anti-rent gouging allowance shall be published on the county's website by June 1 of each year. Such allowance shall remain in effect for a 12-month period beginning July 1.

2. Shall prohibit any rent increase for rental units subject to the ordinance of more than the county's annual anti-rent gouging allowance in effect at the time the rent amount is determined and may allow rent increases for rental units by an amount not to exceed the annual anti-rent gouging allowance. Only one rent increase pursuant to this section shall be permitted within a 12-month period, regardless of whether the unit is occupied during that period.

26 For purposes of this section, "rental unit" means a whole or part of a building or structure that is
27 occupied as, or designated or intended for occupancy as, a residence by one or more families and any
28 vacant land that is offered for lease for the construction or location thereon of any such unit regardless of
29 whether such unit is vacant or occupied.

30 3. May require any landlord subject to the ordinance to provide a minimum of two months' written
31 notice of a rent increase. This notice shall include information about any exemptions applying to the
32 landlord and the contact information of the anti-rent gouging board or its equivalent described in
33 subdivision 4.

34 4. May establish an anti-rent gouging board that will develop and implement rules and procedures
35 by which landlords may apply for and be granted exemptions from the rent increase limits set by the
36 ordinance. The anti-rent gouging board may make the criteria upon which exemptions will be based
37 available to the public by posting them on the county's website and through other appropriate means. A
38 county may include such criteria in its ordinance. The anti-rent gouging board may develop and implement
39 rules and procedures for challenges to exemptions and rent increases. Any party to a challenge filed with
40 a local anti-rent gouging board shall have the right to appeal the board's decision to the Circuit Court in
41 the jurisdiction in which the board sits. The board may also set the effective date at which the initial
42 amount of rent charged by a landlord is calculated for the purposes of determining the amount of an
43 increase. A county may also delegate the duties and functions described in this subdivision to an existing
44 local board, department, or agency.

45 5. Is empowered to take any other action that is necessary and proper to effectuate the purposes of
46 its local anti-rent gouging ordinance.

47 C. No such ordinance shall apply to the following:

48 1. Any unit in a licensed facility, the primary purpose of which is the diagnosis, cure, mitigation,
49 and treatment of illnesses;

50 2. Any unit in a facility owned or leased by an organization exempt from federal income taxes
51 pursuant to § 501(c)(3) of the Internal Revenue Code, the primary purpose of which is to provide

52 temporary sanctuary or shelter for qualified residents, provided that the organization has notified the
53 clients residing in the facility of the temporary nature of their housing at the inception of their residence;

54 3. Any owner-occupied group home;

55 4. Any religious facility, such as a church, synagogue, parsonage, rectory, convent, or parish home;

56 5. Any transient facility, such as a motel, tourist home, or bed and breakfast facility, except for
57 long-term stays in a hotel or motel that qualify as tenancies under § 55.1-1201;

58 6. Any school dormitory;

59 7. Any licensed assisted living facility, nursing home, or residential program licensed by the
60 Department of Behavioral Health and Developmental Services; or

61 8. Any residential rental unit that was first issued its certificate of occupancy 15 or fewer years
62 prior to the date of the notice required in subsection B.

63 D. The county may establish a civil penalty for failure to comply with the requirements set out in
64 the ordinance. A civil penalty shall not exceed an amount set out in the ordinance and shall be payable
65 into the treasury of the county. In addition to any other remedies in this section, any adversely affected
66 tenant may initiate an action to enforce the provisions of this section.

67 E. A county's authority under this section shall be liberally construed to effect the purpose of its
68 anti-rent gouging ordinance. A county's passage of an ordinance under this section shall not be construed
69 to otherwise limit a county's authority regarding residential tenancies.

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