Broker Tool Kit – 2021 New Laws Broker Guide

The left-hand column contains the slide number, the center column contains a screen shot of the PowerPoint Slide. The right-hand column contains language that can be used as either a script or guide for discussing the information presented on the screen. On certain slides, you may see instructions located in brackets and italicized, such as "[click]" which indicate when an animation on the slide should be triggered or when there is an opportunity for audience participation.

Slide 1



This presentation provides a summary of some of the key bills that passed the 2021 General Assembly. A more comprehensive written summary is available on the Virginia REALTORS® website.

Unless otherwise noted, all bills are effective on July 1, 2021.

Slide 2



Let's start by talking about updates to the Virginia Residential Property Disclosure Act.

Slide 3



There are two new additions to the Virginia Residential Property Disclosure Act Statement.

- Mold (<u>HB 1824</u>)
- Flood Risk Report (<u>HB 2320</u> / <u>SB 1389</u>
 (Virginia REALTORS®) (Effective 1/1/22)

A new Flood Risk Information Form will be placed on the DPOR website and is referenced in the RPDA Disclosure Form.

Slide 4



The Residential Property Disclosure Act was updated regarding flood. The statement in the RPDA Disclosure form has technical changes to correct the names of some of the resources. In addition, VREB must add a new "Flood Risk Information Form" to the website for download, the text of this new form is included in the bill, and it essentially warns buyers about flood risks. The statement in the RPDA that talks about flooding as a sentence added that says "A flood risk information form that provides additional information on flood risk and flood insurance is available for the buyer to view. Note that the seller does not need to do anything specific about this form or change.

This bill adds a new affirmative disclosure to the RPDA. Now, an owner who has actual knowledge that the house is a repetitive risk loss structure must disclose that to the buyer. "Repetitive risk loss" is defined as "two or more claims of more than \$1,000 were paid by the National Flood Insurance Program within any rolling 10-year period since 1978." A disclosure form will be added to the other affirmative disclosure forms on the DPOR website.

Delayed effective until 1/1/22

Slide 5

Property Management

We're now going to talk about some property management related bills. Again, these are not all of the bills related to property management, just key ones that most agents should know. Slide 6



This bill simply extends the sunset date of July 1, 2020 to July 1, 2021 for a bill passed in the 2020 Special Session that became effective November 9, 2021. During the 2020 Special Session, HB 5064 added two provisions to the VRLTA related to noncompliance with the rental agreement. Fist, all landlords must give 14 days notice of late rent payment, rather than 5. Second, landlords with five or more properties subject to a lease in Virginia must offer a payment plan to any tenant who is late on rent. For more details about this bill and current requirements, check out this blog post from November 2020.

Slide 7



This bill adds language to the section of the VRLTA addressing access to the unit to show the unit for rent or sale. Under the new language, the term "reasonable justification" is defined to include "the tenant's reasonable concern for his own health, or the health of any authorized occupant, during a state of emergency declared by the Governor ... in response to a communicable disease of public health threat." In order to prevent the landlord or property manager from accessing the property during a public health emergency under this section, the tenant must provide the landlord written notice informing the landlord of the concern and provide the landlord or managing agent a video tour of the unit or other acceptable substitute for exhibiting the unit for sale or lease.

The bill also updates the law to require the landlord to give the tenant at least 72 hours, rather than 24, notice of routine maintenance that has not been requested by the tenant.

Further, during a public health emergency due to a communicable disease, the tenant may provide notice to the landlord requesting that one or more nonemergency repairs made during the state of emergency. If the tenant gives the landlord this notice, the tenant waives all claims or rights against the landlord for failure to address nonemergency conditions. After the initial notice, the tenant may consent, in writing, to the landlord resuming nonemergency repairs. Even if the tenant has given the notice, the landlord may still enter the property to do repairs not more than once every six months, if the tenant is given at least seven days' written notice, the tenant agrees to the time, and the people entering the property wear appropriate and reasonable personal protective equipment required by state law. If the landlord is required to conduct maintenance of an inspection for the loan or an insurance policy that covers the dwelling unit, the tenant must allow such maintenance or inspection, so long as all people entering the unit wear appropriate personal protective equipment as required by state law.

This means that in the event of a pandemic, similar to COVID-19, tenants can provide written notice requesting that the landlord or property manager not conduct routine maintenance. Even if the tenant gives that notice, the landlord has the right to enter the property once every six months to conduct routine maintenance, but must give the tenant at least seven days' notice, the tenant has to agree to the time, and those who enter the property must wear appropriate equipment, such as masks.

Slide 8

Rent with
Reservation
& Right of
Redemption
(HB 2014)

This bill updates the VRLTA to prohibit a landlord from obtaining an order of possession if the tenant has fully paid the late rent, damages, money judgements, award of attorney fees, and court costs, unless there is another, non-monetary, reason for obtaining possession. If the tenant makes a partial payment, the landlord can proceed to obtain an order of possession so long as the tenant has received a rent with reservation notice.

The law now spells out specific language that must be included in the rent with reservation notice: "Any partial payment of rent made before or after a judgment of possession is ordered will not prevent your landlord from taking action to evict you. However, full payment of all amounts you owe the landlord, including all rent as contracted for in the rental agreement that is owed to the landlord as of the date payment is made, as well as any damages, money judgment, award of attorney fees, and court costs made at least 48 hours before the scheduled eviction will cause the eviction to be canceled, unless there are bases for the entry of an order of possession other than nonpayment of rent stated in the unlawful detainer action filed by the landlord." A copy of this notice must be provided to the court for service to the tenant along with the summons for unlawful detainer.

The VRLTA also now allows landlords who own, or have up to a 10 percent ownership interest in, four or fewer units, to limit a tenant's use of the right of redemption to no more than once per lease period if the landlord provides written notice of the limitation to the tenant. For landlords with five or more rental units, there is no restriction on the number of times a tenant uses the right of redemption now.

The time period for the tenant to exercise the right of redemption has been shortened from two business days to 48 hours before the date and time scheduled by the officer to whom the writ of eviction has been delivered to be executed. Once the payment is made, the landlord or property manager must promptly notify the officer who has the writ of eviction that the writ of eviction should be canceled. It is a violation of the VRLTA if the landlord has actual knowledge of the payment and willfully fails to provide the notification. In addition to notifying the officer, the landlord must also notify the court of the satisfaction of the money judgement.

Finally, when the tenant requests in writing, the landlord or property manager must provide the tenant a written statement of all amounts owed by the tenant to the landlord so that the tenant can exercise their right of redemption.

Slide 9



There were two bills that updated Virginia Fair Housing Law.

Slide 10



This bill clarifies that a request for accessible parking should be treated as a reasonable accommodation, rather than a reasonable modification. The key difference between a reasonable accommodation and a reasonable modification is who is responsible for paying for the changes and what the standard is for granting the request. A request for a reasonable accommodation

must be granted so long as it does not impose either an undue financial and administrative burden or fundamentally alter the nature of the operations of the person receiving the request. This means that if you are approached by an individual with a disability who requests accessible parking to accommodate their disability, you must either grant it; or, if it creates an undue financial burden or fundamentally alters the services you are providing, you must engage in the interactive process.

Slide 11



These bills update the 2020 addition of "status as a veteran" to "military status" in fair housing and employment law. There is no change in what is prohibited under Virginia's Fair Housing law, simply a change in the protected class and a definition for that class.

"Military status" is defined as "(i) a member of the uniformed forces, as defined in 10 USC § 101(a)(5), of the United States or a reserve component thereof named under 10 USC § 10101, (ii) a veteran as defined in 38 USC § 101(2), or (iii) a dependent as defined in 50 USC § 3911(4) except that the support provided by the service member to the individual shall have been provided 180 days immediately preceding tan alleged action that if proven true would constitute unlawful discrimination under this section instead of 180 days immediately preceding an application for relief under 50 USC Chapter 50." Essentially, this group encompasses active duty, reserve, and servicemembers who were not dishonorably discharged from: Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, and the commissioned corps of the Public Health Service. It also covers the

spouse, child, or any other individual who the servicemember provides more than 50% of the individual's support.

Slide 12



Instructor: We're now up to 12 protected classes in Virginia, all of which are on the screen

Slide 13

