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HOUSE BILL NO. 596

Offered January 12, 2022

Prefiled January 11, 2022

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

Patrons—Clark, McQuinn, Maldonado, Rasoul, Scott, D.L. and Shin

Referred to Committee on Counties, Cities and Towns

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 rent stabilization authority.

A. Notwithstanding the provisions of the Virginia Residential Landlord and Tenant Act (§ 55.1-1200 et seq.) and any other provision of law, general or special, any locality may by ordinance adopt rent stabilization provisions in accordance with this section. No such ordinance shall be adopted until the proposed ordinance has been posted on the locality's website and advertised in a newspaper of general circulation in the locality at least two weeks prior to a public hearing on such ordinance.

B. All landlords who are under rent stabilization may be required to give up to a two-month written notice of a rent increase and cannot increase the rent by more than the locality's rent stabilization allowance in effect at the time of the increase.

C. The locality shall publish on its website, on a yearly basis by June 1, its annual rent stabilization allowance. The allowance is the maximum amount a landlord can increase a tenant's rent during any 12-month period. The allowance is equal to the annual increase in the Consumer Price Index for the region in which the locality sits and is effective for a 12-month period beginning July 1. The annual rent stabilization allowance shall be calculated from March in the preceding year to March in the current year.

D. No such ordinance shall apply to the following:

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

2. Any unit in a facility owned or leased by an organization exempt from federal income taxes pursuant to § 501(c)(3) of the Internal Revenue Code, the primary purpose of which is to provide temporary sanctuary or shelter for qualified clients, provided that the organization has notified the clients residing in the facility of the temporary nature of their housing at the inception of their residence;

3. Any owner-occupied group house;

4. Religious facilities, such as churches, synagogues, parsonages, rectories, convents, and parish homes;

5. Transient facilities, such as motels, tourist homes, and bed and breakfast facilities;

6. School dormitories;

7. Licensed assisted living facilities and nursing homes; or

8. Single-family residences.

E. Such ordinance shall provide a procedure by which a landlord may apply for an exemption from the rent stabilization provisions in situations where the net operating income generated by the rental facility has not been maintained due to escalating operating expenses or for other appropriate reasons as established by the locality.

F. The locality may establish a civil penalty for failure to comply with the requirements set out in the ordinance. Such civil penalty shall not exceed \$2,500 per separate violation.

INTRODUCED

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