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**HOUSE BILL NO. 2047**

Offered January 13, 2025

Prefiled January 7, 2025

*A BILL to amend and reenact § 55.1-1200 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 55.1-1204.2, 55.1-1204.3, 55.1-1204.4, and 55.1-1219.1, relating to Virginia Residential Landlord and Tenant Act; algorithmic pricing devices; study; report.*

Patron—Anthony

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That § 55.1-1200 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding sections numbered 55.1-1204.2, 55.1-1204.3, 55.1-1204.4, and 55.1-1219.1 as follows:**

**§ 55.1-1200. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Action" means any recoupment, counterclaim, setoff, or other civil action and any other proceeding in which rights are determined, including actions for possession, rent, unlawful detainer, unlawful entry, and distress for rent.

"Algorithmic pricing device" means a device that uses one or more algorithms to perform calculations of data, including data concerning local or statewide rent amounts being charged to tenants by landlords, for the purpose of advising a landlord of the amount of rent that the landlord may consider charging a tenant. "Algorithmic pricing device" includes a service or product that incorporates an algorithmic pricing device but does not include (i) any report published periodically, but no more frequently than monthly, by a trade association that receives tenant data and publishes it in an aggregated and anonymous manner or (ii) a product used for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a local government, the Commonwealth, the federal government, or other political subdivision.

"Application deposit" means any refundable deposit of money, however denominated, including all money intended to be used as a security deposit under a rental agreement, or property, that is paid by a tenant to a landlord for the purpose of being considered as a tenant for a dwelling unit.

"Application fee" means any nonrefundable fee that is paid by a tenant to a landlord or managing agent for the purpose of being considered as a tenant for a dwelling unit.

"Assignment" means the transfer by any tenant of all interests created by a rental agreement.

"Authorized occupant" means a person entitled to occupy a dwelling unit with the consent of the landlord, but who has not signed the rental agreement and therefore does not have the financial obligations as a tenant under the rental agreement.

"Building or housing code" means any law, ordinance, or governmental regulation concerning fitness for habitation or the construction, maintenance, operation, occupancy, use, or appearance of any structure or that part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

"Commencement date of rental agreement" means the date upon which the tenant is entitled to occupy the dwelling unit as a tenant.

"Community land trust" means a community housing development organization whose (i) corporate membership is open to any adult resident or organization of a particular geographic area specified in the bylaws of the organization and (ii) board of directors includes a majority of members who are elected by the corporate membership and are composed of tenants, corporate members who are not tenants, and any other category of persons specified in the bylaws of the organization and that:

1. Is not sponsored by a for-profit organization;
2. Acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;
3. Transfers ownership of any structural improvements located on such leased parcels to the tenant; and
4. Retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low-income and moderate-income families in perpetuity.

"Damage insurance" means a bond or commercial insurance coverage as specified in the rental agreement to secure the performance by the tenant of the terms and conditions of the rental agreement and to replace all or part of a security deposit.

"Dwelling unit" means a structure or part of a structure that is used as a home or residence by one or more

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59 persons who maintain a household, including a manufactured home, as defined in § 55.1-1300.  
60 "Effective date of rental agreement" means the date on which the rental agreement is signed by the  
61 landlord and the tenant obligating each party to the terms and conditions of the rental agreement.  
62 "Essential service" includes heat, running water, hot water, electricity, and gas.  
63 "Facility" means something that is built, constructed, installed, or established to perform some particular  
64 function.  
65 "Good faith" means honesty in fact in the conduct of the transaction concerned.  
66 "Guest or invitee" means a person, other than the tenant or an authorized occupant, who has the  
67 permission of the tenant to visit but not to occupy the premises.  
68 "Interior of the dwelling unit" means the inside of the dwelling unit, consisting of interior walls, floor, and  
69 ceiling, that enclose the dwelling unit as conditioned space from the outside air.  
70 "Landlord" means the owner, lessor, or sublessor of the dwelling unit or the building of which such  
71 dwelling unit is a part. "Landlord" also includes a managing agent of the premises who fails to disclose the  
72 name of such owner, lessor, or sublessor. Such managing agent shall be subject to the provisions of §  
73 16.1-88.03. "Landlord" does not include a community land trust.  
74 "Managing agent" means the person authorized by the landlord to act as the property manager on behalf  
75 of the landlord pursuant to the written property management agreement.  
76 "Mold remediation in accordance with professional standards" means mold remediation of that portion of  
77 the dwelling unit or premises affected by mold, or any personal property of the tenant affected by mold,  
78 performed consistent with guidance documents published by the U.S. Environmental Protection Agency, the  
79 U.S. Department of Housing and Urban Development, or the American Conference of Governmental  
80 Industrial Hygienists (Bioaerosols: Assessment and Control); Standard and Reference Guides of the Institute  
81 of Inspection, Cleaning and Restoration Certification (IICRC) for Professional Water Damage Restoration  
82 and Professional Mold Remediation; or any protocol for mold remediation prepared by an industrial hygienist  
83 consistent with such guidance documents.  
84 "Multifamily dwelling unit" means more than one single-family dwelling unit located in a building.  
85 However, nothing in this definition shall be construed to apply to any nonresidential space in such building.  
86 "Natural person," wherever the chapter refers to an owner as a "natural person," includes co-owners who  
87 are natural persons, either as tenants in common, joint tenants, tenants in partnership, tenants by the entirety,  
88 trustees or beneficiaries of a trust, general partnerships, limited liability partnerships, registered limited  
89 liability partnerships or limited liability companies, or any other lawful combination of natural persons  
90 permitted by law.  
91 *"Nonpublic competitor data" means information that is not widely available or easily accessible to the*  
92 *public, including information about actual rent prices, occupancy rates, rental agreement start and end*  
93 *dates, and similar data, regardless of whether the data is attributable to a specific competitor or anonymized,*  
94 *and that is derived from or otherwise provided by another person that competes in the same market as a*  
95 *person or a related market.*  
96 "Notice" means notice given in writing by either regular mail or hand delivery, with the sender retaining  
97 sufficient proof of having given such notice in the form of a certificate of service confirming such mailing  
98 prepared by the sender. However, a person shall be deemed to have notice of a fact if he has actual  
99 knowledge of it, he has received a verbal notice of it, or, from all of the facts and circumstances known to  
100 him at the time in question, he has reason to know it exists. A person "notifies" or "gives" a notice or  
101 notification to another by taking steps reasonably calculated to inform another person, whether or not the  
102 other person actually comes to know of it. If notice is given that is not in writing, the person giving the notice  
103 has the burden of proof to show that the notice was given to the recipient of the notice.  
104 "Organization" means a corporation, government, governmental subdivision or agency, business trust,  
105 estate, trust, partnership, or association; two or more persons having a joint or common interest; any  
106 combination thereof; and any other legal or commercial entity.  
107 "Owner" means one or more persons or entities, jointly or severally, including a mortgagee in possession,  
108 in whom is vested:  
109 1. All or part of the legal title to the property; or  
110 2. All or part of the beneficial ownership and a right to present use and enjoyment of the premises.  
111 "Person" means any individual, group of individuals, corporation, partnership, business trust, association,  
112 or other legal entity, or any combination thereof.  
113 "Premises" means a dwelling unit and the structure of which it is a part, facilities and appurtenances  
114 contained therein, and grounds, areas, and facilities held out for the use of tenants generally or whose use is  
115 promised to the tenant.  
116 "Processing fee for payment of rent with bad check" means the processing fee specified in the rental  
117 agreement, not to exceed \$50, assessed by a landlord against a tenant for payment of rent with a check drawn  
118 by the tenant on which payment has been refused by the payor bank because the drawer had no account or  
119 insufficient funds.  
120 "Readily accessible" means areas within the interior of the dwelling unit available for observation at the

time of the move-in inspection that do not require removal of materials, personal property, equipment, or similar items.

"Rent" means all money, other than a security deposit, owed or paid to the landlord under the rental agreement, including prepaid rent paid more than one month in advance of the rent due date.

"Rental agreement" or "lease agreement" means all rental agreements, written or oral, and valid rules and regulations adopted under § 55.1-1228 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises.

"Rental application" means the written application or similar document used by a landlord to determine if a prospective tenant is qualified to become a tenant of a dwelling unit.

"Renter's insurance" means insurance coverage specified in the rental agreement that is a combination multi-peril policy containing fire, miscellaneous property, and personal liability coverage insuring personal property located in dwelling units not occupied by the owner.

"Residential tenancy" means a tenancy that is based on a rental agreement between a landlord and a tenant for a dwelling unit.

"Roomer" means a person occupying a dwelling unit that lacks a major bathroom or kitchen facility, in a structure where one or more major facilities are used in common by occupants of the dwelling unit and other dwelling units. "Major facility" in the case of a bathroom means a toilet and either a bath or shower and in the case of a kitchen means a refrigerator, stove, or sink.

"Security deposit" means any refundable deposit of money that is furnished by a tenant to a landlord to secure the performance of the terms and conditions of a rental agreement, as a security for damages to the leased premises, or as a pet deposit. However, such money shall be deemed an application deposit until the commencement date of the rental agreement. "Security deposit" does not include a damage insurance policy or renter's insurance policy, as those terms are defined in § 55.1-1206, purchased by a landlord to provide coverage for a tenant.

"Single-family residence" means a structure, other than a multifamily residential structure, maintained and used as a single dwelling unit, condominium unit, or any other dwelling unit that has direct access to a street or thoroughfare and does not share heating facilities, hot water equipment, or any other essential facility or essential service with any other dwelling unit.

"Sublease" means the transfer by any tenant of any but not all interests created by a rental agreement.

"Tenant" means a person entitled only under the terms of a rental agreement to occupy a dwelling unit to the exclusion of others and includes a roomer. "Tenant" does not include (i) an authorized occupant, (ii) a guest or invitee, or (iii) any person who guarantees or cosigns the payment of the financial obligations of a rental agreement but has no right to occupy a dwelling unit.

"Tenant records" means all information, including financial, maintenance, and other records about a tenant or prospective tenant, whether such information is in written or electronic form or any other medium.

"Utility" means electricity, natural gas, or water and sewer provided by a public service corporation or such other person providing utility services as permitted under § 56-1.2. If the rental agreement so provides, a landlord may use submetering equipment or energy allocation equipment as defined in § 56-245.2 or a ratio utility billing system as defined in § 55.1-1212.

"Visible evidence of mold" means the existence of mold in the dwelling unit that is visible to the naked eye by the landlord or tenant in areas within the interior of the dwelling unit readily accessible at the time of the move-in inspection.

"Written notice" means notice given in accordance with § 55.1-1202, including any representation of words, letters, symbols, numbers, or figures, whether (i) printed in or inscribed on a tangible medium or (ii) stored in an electronic form or any other medium, retrievable in a perceivable form, and regardless of whether an electronic signature authorized by the Uniform Electronic Transactions Act (§ 59.1-479 et seq.) is affixed.

**§ 55.1-1204.2. Algorithmic pricing devices; civil penalty.**

*A. No landlord shall, for the purpose of advising the landlord of the amount of rent to charge a prospective tenant for the occupancy of a dwelling unit, use, incorporate, or train an algorithmic pricing device:*

*1. With nonpublic competitor data;*  
*2. To coordinate price, supply, or other rental housing information among two or more rental property owners; or*

*3. To otherwise enter into an agreement, contract, combination, or conspiracy in restraint of the rental housing market that constitutes an unfair method of competition.*

*B. If a tenant has a reasonable belief that his landlord has violated subsection A, such tenant may:*

*1. File a written complaint with the Office of the Algorithmic Rent Pricing Ombudsman; or*  
*2. Bring an action against his landlord in a court of competent jurisdiction to contest the alleged violation by the landlord. In any such action, the prevailing party shall be entitled to recover reasonable attorney fees.*

*C. Subsection A shall not apply to an algorithmic pricing device that uses, incorporates, or was trained with nonpublic competitor data if such data includes nonpublic executed rental agreement data that is also*

made available to the general public in an aggregated and anonymous manner at no more than a reasonable charge. When made available to the general public, the presentation of such nonpublic executed rental agreement data may be tailored for the benefit of and usefulness to consumers and presented as a range of average rent prices for properties in a geographic area defined by its zip code, neighborhood, geographical radius of up to 10 miles, or other type of apartment industry submarket.

**§ 55.1-1204.3. Algorithmic Rent Pricing Ombudsman; appointment; powers and duties.**

A. The Director of the Department of Housing and Community Development, in accordance with § 36-134, shall appoint an Algorithmic Rent Pricing Ombudsman (the Ombudsman) and shall establish the Office of the Algorithmic Rent Pricing Ombudsman (the Office). The Ombudsman shall be a member in good standing in the Virginia State Bar. All state agencies shall assist and cooperate with the Office in the performance of its duties under this chapter.

B. The Office shall:

1. Assist tenants in understanding their rights and the processes available to them according to the laws and regulations governing algorithmic pricing devices and respond to general inquiries;
2. Make available, either separately or through an existing website, information concerning algorithmic pricing devices and such additional information as may be deemed appropriate;
3. Receive tenant complaints pursuant to subdivision B 1 of § 55.1-1204.2;
4. Ensure that landlords and tenants have access to the services provided through the Office and that landlords and tenants receive timely responses from the representatives of the Office to inquiries;
5. Maintain data on inquiries received, complaints filed, actions taken, and the disposition of each such matter;
6. Upon request to the Director of the Department of Housing and Community Development by (i) any of the standing committees of the General Assembly or (ii) the Virginia Housing Commission, provide to the Director for dissemination to the requesting party assessments of proposed and existing algorithmic pricing device laws and other studies of algorithmic pricing issues;
7. Monitor changes in federal and state laws relating to algorithmic pricing devices; and
8. Provide information to the Director of the Department of Housing and Community Development to report annually on the activities of the Office to the standing committees of the General Assembly and to the Virginia Housing Commission. Such report shall be filed by December 1 of each year and shall include a summary of significant new developments in federal and state laws relating to algorithmic pricing devices each year.

**§ 55.1-1204.4. Authority to investigate complaints.**

A. For the purposes of this section, "complaint" means a complaint filed pursuant to subdivision B 1 of § 55.1-1204.2.

B. The Office may initiate and attempt to resolve an investigation upon receipt of a complaint.

C. The Office may decline to investigate any complaint. Upon declining to investigate a complaint, the Office shall notify the complaining tenant in writing of the decision not to investigate and shall include the reasons for such decision.

D. The Office shall not charge any fees for the submission or investigation of complaints.

E. At the conclusion of an investigation, the Office shall render a decision on the merits of each complaint. The Office shall communicate the decision to the complaining tenant and to the Department of Housing and Community Development. The Office shall state its recommendations and reasoning if the Office determines that the Attorney General, or any employee thereof, should consider the matter further. Upon request of the Office, the Attorney General shall inform the Office in writing about any action taken on the recommendations or the reasons for not complying with such recommendations. Aggregated information related to complaints received and complaint resolutions shall be made publicly available by the Office.

F. Prior to announcing a conclusion or recommendation, the Office shall consult with the Department of Housing and Community Development or any person individually named in the conclusion or recommendation. The Office may request to be notified, within a specified time, by the Attorney General of any action taken on any recommendation presented.

**§ 55.1-1219.1. Required disclosures for rent set by algorithmic pricing device.**

A. If a landlord uses an algorithmic pricing device to advise him of the amount of rent to charge a prospective tenant for the occupancy of a dwelling unit, the landlord shall provide to such prospective tenant a written disclosure that states such information. Such disclosure shall be provided prior to the execution by the tenant of a written rental agreement or, in the case of an oral rental agreement, prior to occupancy by the tenant.

B. Any tenant who is not provided the disclosure required by subsection A may terminate the lease agreement at any time within 60 days of discovery that the landlord used an algorithmic pricing device to advise him of the amount of rent to charge a tenant by providing written notice to the landlord in accordance with the lease or as required by law. Such termination shall be effective as of (i) 15 days after the date of the mailing of the notice or (ii) the date through which rent has been paid, whichever is later. In no event,

243 *however, shall the effective date of the termination exceed one month from the date of mailing.*  
244 **2. That the Virginia Housing Commission shall study for a period of one year from the enactment of**  
245 **this act the deployment of algorithmic pricing devices and similar predictive technologies for the sale of**  
246 **housing in the Commonwealth to determine whether such devices perpetuate systemic biases prevalent**  
247 **in the housing market. The Virginia Housing Commission shall report its findings and any**  
248 **recommendations for legislation to the Chairmen of the House Committee on General Laws and the**  
249 **Senate Committee on General Laws and Technology by November 1, 2026.**

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