Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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ORIGINAL

Bill Number:HB2047Patron:AnthonyBill Title:Virginia Residential Landlord and Tenant Act; algorithmic pricing devices; study; report.

Bill Summary: Prohibits a landlord from, for the purpose of advising the landlord of the amount of rent to charge a prospective tenant for the occupancy of a dwelling unit, using, incorporating, or training an algorithmic pricing device, defined in the bill, to restrain the rental housing market in ways that constitute an unfair method of competition. The bill grants a tenant with a reasonable belief that his landlord has violated the prohibition an opportunity to file a written complaint with the Office of the Algorithmic Rent Pricing Ombudsman, created in the bill, or to bring an action against his landlord. The bill requires a landlord who 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 to disclose the same to a tenant. The bill also directs the Virginia Housing Commission to study the deployment of algorithmic pricing devices and similar predictive technologies for the sale of housing in the Commonwealth to determine whether such devices perpetuate systemic biases prevalent in the housing market. The Commission shall report its findings and any recommendations for legislation to the Chairmen of the House Committee on General Laws and the Senate Committee on General Laws and Technology by November 1, 2026.

Budget Amendment Necessary:Yes.Items Impacted:102 (DHCD)Explanation:This bill involves the Department of Housing and Community Development (DHCD); the
Office of the Attorney General (OAG); and the Virginia Housing Commission (VHC). An
amendment is required for DHCD to carry out the requirements in the bill.

Fiscal Summary: The estimated impact to the general fund is \$358,000 starting in FY 2026 and \$308,000 every fiscal year thereafter, and two positions. The OAG and the VHC anticipate any impact to be absorbable. Details regarding the impact for each agency, including the affected budget item, can be found in the "Fiscal Analysis" section.

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DHCD	0	\$358,000	\$308,000	\$308,000	\$308,000	\$308,000
TOTAL	0	\$358,000	\$308,000	\$308,000	\$308,000	\$308,000

General Fund Expenditure Impact:

Position Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DHCD	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

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Fiscal Analysis: This impact statement is preliminary. This bill requires that DHCD establish the Office of the Algorithmic Rent Pricing Ombudsman (the Office). The Office is required to employ a member in good standing in the Virginia State Bar as the Algorithmic Rent Pricing Ombudsman.

DHCD anticipates an unabsorbable impact as a result of this bill. The agency currently does not have the staff with the required qualifications or skillset. The anticipated cost of hiring one attorney is \$182,000. One additional paralegal or policy analyst position is anticipated to cost up to \$91,000 based on equivalent positions within the agency. Ongoing administrative costs tied to the Office are calculated to be \$35,000 annually. An initial expenditure of \$50,000, to take place in FY2026, would allow DHCD to contract for the creation of the required dashboard, which is anticipated to necessitate website modifications.

The Office of the Attorney General indicates that the requirements of this bill can be absorbed within current resources. The OAG notes that while an individual bill's impact may be absorbable, if the aggregate number of "absorbable" bills likely to pass either chamber is unusually large, it is possible the agency will require additional resources. It is anticipated that the VHC can absorb any impact that may result from this bill.

Other: The bill mentions a civil penalty. However, its provisions do not provide details on what the penalty would be.