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HOUSE BILL NO. 678  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on General Laws  
on \_\_\_\_\_)  
(Patron Prior to Substitute—Delegate Maldonado)

*A BILL to amend and reenact § 55.1-1204 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; terms and conditions of rental agreement; notice of rent increase.*

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

**1. That § 55.1-1204 of the Code of Virginia is amended and reenacted as follows:**

**§ 55.1-1204. Terms and conditions of rental agreement; payment of rent; copy of rental agreement for tenant.**

A. A landlord and tenant may include in a rental agreement terms and conditions not prohibited by this chapter or other rule of law, including rent, charges for late payment of rent, the term of the agreement, automatic renewal of the rental agreement, requirements for notice of intent to vacate or terminate the rental agreement, and other provisions governing the rights and obligations of the parties.

B. A landlord shall offer a prospective tenant a written rental agreement containing the terms governing the rental of the dwelling unit and setting forth the terms and conditions of the landlord-tenant relationship and shall provide with it the statement of tenant rights and responsibilities developed by the Department of Housing and Community Development and posted on its website pursuant to § 36-139. The parties to a written rental agreement shall sign the form developed by the Department of Housing and Community Development and posted on its website pursuant to § 36-139 acknowledging that the tenant has received from the landlord the statement of tenant rights and responsibilities. The written rental agreement shall be effective upon the date signed by the parties.

If a tenant fails to sign the form available pursuant to this subsection, the landlord shall record the date or dates on which he provided the form to the tenant and the fact that the tenant failed to sign such form. Subsequent to the effective date of the tenancy, a landlord may, but shall not be required to, provide a tenant with and allow such tenant an opportunity to sign the form described pursuant to this subsection. The form shall be current as of the date of delivery.

C. If a landlord does not offer a written rental agreement, the tenancy shall exist by operation of law, consisting of the following terms and conditions:

1. The ~~provision~~ *provisions* of this chapter shall be applicable to the dwelling unit that is being rented;

32 2. The duration of the rental agreement shall be for 12 months and shall not be subject to automatic  
33 renewal, except in the event of a month-to-month lease as otherwise provided for under subsection D of  
34 § 55.1-1253;

35 3. Rent shall be paid in 12 equal periodic installments in an amount agreed upon by the landlord and the  
36 tenant, and if no amount is agreed upon, the installments shall be at fair market rent;

37 4. Rent payments shall be due on the first day of each month during the tenancy and shall be considered  
38 late if not paid by the fifth of the month;

39 5. If the rent is paid by the tenant after the fifth day of any given month, the landlord shall be entitled to  
40 charge a late charge as provided in this chapter;

41 6. The landlord may collect a security deposit in an amount that does not exceed a total amount equal to  
42 two months of rent; and

43 7. The parties may enter into a written rental agreement at any time during the 12-month tenancy created  
44 by this subsection.

45 D. Except as provided in the written rental agreement, or as provided in subsection C if no written  
46 agreement is offered, rent shall be payable without demand or notice at the time and place agreed upon by the  
47 parties. Except as provided in the written rental agreement, rent is payable at the place designated by the  
48 landlord, and periodic rent is payable at the beginning of any term of one month or less and otherwise in  
49 equal installments at the beginning of each month. If the landlord receives from a tenant a written request for  
50 a written statement of charges and payments, he shall provide the tenant with a written statement showing all  
51 debits and credits over the tenancy or the past 12 months, whichever is shorter. The landlord shall provide  
52 such written statement within 10 business days of receiving the request.

53 E. A landlord shall not charge a tenant for late payment of rent unless such charge is provided for in the  
54 written rental agreement. No such late charge shall exceed the lesser of 10 percent of the periodic rent or 10  
55 percent of the remaining balance due and owed by the tenant.

56 F. Except as provided in the written rental agreement or, as provided in subsection C if no written  
57 agreement is offered, the tenancy shall be week-to-week in the case of a tenant who pays weekly rent and  
58 month-to-month in all other cases. Terminations of tenancies shall be governed by § 55.1-1253 unless the  
59 rental agreement provides for a different notice period.

60 G. If the rental agreement contains any provision allowing the landlord to approve or disapprove a

61 sublessee or assignee of the tenant, the landlord shall, within 10 business days of receipt of the written  
62 application of the prospective sublessee or assignee on a form to be provided by the landlord, approve or  
63 disapprove the sublessee or assignee. Failure of the landlord to act within 10 business days is evidence of his  
64 approval.

65 H. The landlord shall provide a copy of the signed written rental agreement and the statement of tenant  
66 rights and responsibilities to the tenant within 10 business days of the effective date of the written rental  
67 agreement. The failure of the landlord to deliver such a rental agreement and statement shall not affect the  
68 validity of the agreement. However, the landlord shall not file or maintain an action, including any summons  
69 for unlawful detainer, against the tenant in a court of law for any alleged lease violation until he has provided  
70 the tenant with the statement of tenant rights and responsibilities.

71 The landlord shall provide the tenant with an additional hard copy of such tenant's rental agreement once  
72 per year upon request or shall maintain such rental agreement in an electronic format that can be easily  
73 accessed by or shared with the tenant upon request. Any additional electronic copy of a tenant's rental  
74 agreement provided pursuant to this subsection shall be provided by the landlord at no charge to the tenant.

75 I. No unilateral change in the terms of a rental agreement by a landlord or tenant shall be valid unless (i)  
76 notice of the change is given in accordance with the terms of the rental agreement or as otherwise required by  
77 law and (ii) both parties consent in writing to the change.

78 J. 1. The landlord shall provide the tenant with a written receipt, upon request from the tenant, whenever  
79 the tenant pays rent in the form of cash or money order. No landlord shall charge a tenant any fee for the  
80 collection or processing of any payment of rent, security deposit, or any other fees, unless the landlord offers  
81 an alternative method of payment that does not include additional fees.

82 2. A landlord with four or fewer rental dwelling units, or up to a 10 percent interest in four or fewer rental  
83 dwelling units, shall not be required to accept payment of periodic rent and any security deposit by debit or  
84 credit card.

85 K. A landlord who owns more than four rental dwelling units or more than a 10 percent interest in more  
86 than four rental dwelling units, whether individually or through a business entity, in the Commonwealth shall  
87 ~~be required to~~ provide written notice *of any increase in rent during the subsequent rental agreement term* to  
88 any tenant who has the option to renew a rental agreement or whose rental agreement contains an automatic  
89 renewal provision of any increase in rent during the subsequent rental agreement term. ~~Such~~ *The landlord*

90 *shall provide the tenant with this written notice of rent increase at least 90 days prior to the end of the rental*  
91 *agreement term. Such notice of rent increase shall include a deadline by which the tenant shall advise the*  
92 *landlord of whether the tenant will renew the rental agreement and shall be no sooner than 30 days after the*  
93 *written notice of rent increase is delivered to the tenant. If the landlord is not renewing the tenant's rental*  
94 *agreement, he shall also provide written notice of nonrenewal to any the tenant. ~~Such notices shall be~~*  
95 *~~provided to the tenant~~ no less than 60 days prior to the end of the rental agreement term. This subsection shall*  
96 *not apply to any periodic tenancy created pursuant to subsection C of § 55.1-1253.*