



General Assembly Report

April 2023

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Executive Summary

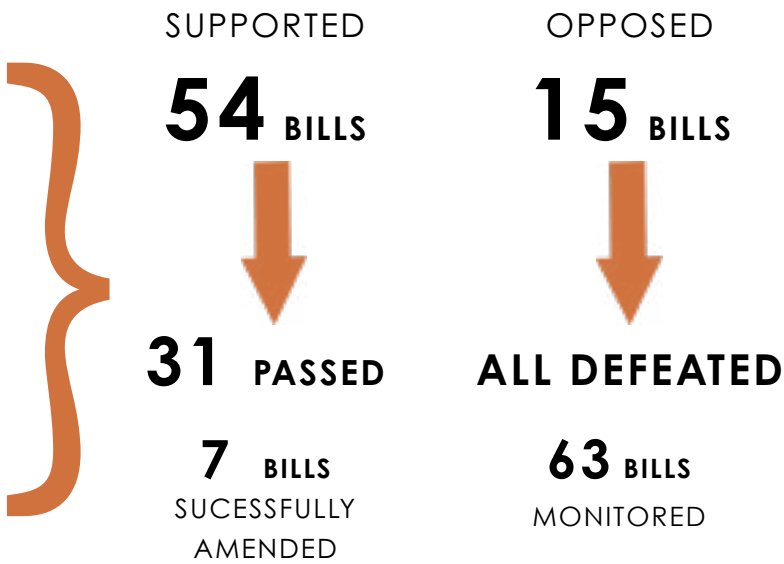
The 2023 General Assembly Session convened on January 11 and adjourned Sine Die (Latin for “adjourning with no appointed day for resumption”) on April 12. Though this was a short session, legislators were still able to introduce nearly 3,000 bills. Of those introduced, more than 800 bills were sent to Governor’s desk. The General Assembly met for the reconvene session on April 12 to receive the Governor’s actions on legislation that passed the General Assembly.

REALTOR® Associations are federated; therefore, the Richmond Association of REALTORS® Government Affairs team works hand in hand with the Virginia REALTORS® Government Affairs team during the General Assembly Session. With the assistance of the Realtor® led Public Policy Committee, we identified and evaluated 153 bills that would impact our members, their business, or their clients.

This document will provide an overview of bills that passed through the General Assembly and as of this writing, are poised to become law or have already been approved by Governor Youngkin. Organized by subject, each item includes a brief synopsis about the bill, bill numbers, patrons, links to the Legislative Information Services website where readers can see the bill text for themselves, and finally, the status of the bill as of the publication date of this document. Please keep in mind that this is not intended to be a comprehensive list of every bill identified as having a potential impact on the real estate industry.

By the Numbers

During the 2023 Session,
2,863 BILLS
were introduced.



Affordable Housing

VIRGINIA COMMUNITY DEVELOPMENT: FINANCIAL INSTITUTIONS FUND AND SUPPORT PROGRAM

House Bill 1411 & Senate Bill 1320 – Delegate Danny Marshall & Senator Jennifer McClellan
Status: Signed by the Governor. Effective July 1, 2023.

This bill codifies the Financial Institutions Fund and Support Program which provides grants and loans to community development financial institutions (CDFIs), who in turn, finance small businesses, housing development and rehabilitation projects, and community revitalization real estate projects in the Commonwealth.

VIRGINIA RESOURCES AUTHORITY: COMMUNITY DEVELOPMENT & HOUSING PROJECTS

House Bill 1805 & Senate Bill 1401 – Delegate Rob Bloxom & Senator Lynwood Lewis
Status: Signed by the Governor. Effective July 1, 2023.

This legislation adds community development projects related to the production and preservation of housing, including housing for those with low to moderate income, to the list of projects that the Virginia Resources Authority can finance for local governments.

STATEWIDE HOUSING NEEDS ASSESSMENT

House Bill 2046 & Senate Bill 839 – Delegate Betsy Carr & Senator Mamie Locke
Status: Signed by the Governor. Effective July 1, 2023.

This bill requires the Department of Housing and Community Development (DHCD) to conduct a state-wide housing needs assessment every 5 years, as well as create a plan to address the needs found in the assessment. Each year, DHCD must submit updates to the General Assembly on the progress made towards the goals outlined in the plan. This report and needs assessment will also be used to gather information from localities with a population over 3,500 about their zoning ordinances and other policies related to housing development.

Appraisals

DPOR: REAL ESTATE APPRAISER BOARD; APPRAISAL EXPERIENCE

House Bill 1418 – Delegate Lee Ware

Status: Signed by the Governor. Effective July 1, 2023.

This bill requires the Real Estate Appraiser Board to accept the completion of a Licensed Residential PAREA Program or Certified Residential PAREA Program to satisfy the experience requirements established in regulations as a condition of licensure as a licensed residential real estate appraiser, certified residential real estate appraiser, or certified general real estate appraiser.

Assistance Animals

COUNSELING COMPACT

House Bill 1433 & Senate Bill 802 – Delegate Philip Scott & Senator Ghazala Hashmi

Status: Signed by the Governor. Effective January 1, 2024.

This legislation authorizes Virginia to join the Counseling Compact. The Compact allows eligible licensed professional counselors to practice in other Compact member states if they are licensed in at least one member state. This bill has a delayed effective date of January 1, 2024.

VIRGINIA FAIR HOUSING LAW: USE OF ASSISTANCE ANIMAL IN A DWELLING

House Bill 1725 – Delegate Schuyler VanValkenburg

Status: Signed by the Governor. Effective July 1, 2023.

This bill makes it a violation of the Virginia Consumer Protection Act for a person in a “therapeutic relationship” to provide fraudulent supporting documentation needed to prove a tenant’s disability.

Common Interest Communities

PROFESSIONALLY MANAGED ASSOCIATIONS

House Bill 1519 - Delegate Dawn Adams

Status: Signed by the Governor. Effective July 1, 2023.

This bill states a management contract that contains an automatic renewal provision may be terminated by the association or the common interest community manager or unit owners’ association at any time without cause with 60 days’ written notice.

Common Interest Communities Continued

OMBUDSMAN

House Bill 1627 & Senate Bill 1042 - Delegate Carrie Coyner & Senator Jeremy McPike

Status: Signed by the Governor. Effective July 1, 2023.

This bill changes the procedure followed by the Common Interest Community Ombudsman for processing notices of final adverse decisions. This new language clarifies that the Ombudsman needs to contact the association’s governing board and community manager, if applicable. The bill also has the Ombudsman refer all notices that are deemed to be a repeat violation to the Common Interest Community Board for further action. New language also gives the Ombudsman permission to refer any violation of law to the CIC Board for further action. Finally, the bill directs the Ombuds Office to track the number of violations that are referred to the CIC Board.

RESALE DISCLOSURE ACT

House Bill 2235 & Senate Bill 1222 - Delegate Will Wampler & Senator Monty Mason

Status: Signed by the Governor. Effective July 1, 2023.

This bill creates one place within Common Interest Community law to find all information on resale disclosures that are required when a property located within a common interest community is sold. The bill takes current disclosure language out of the POA, Condo, and Cooperative Acts and consolidates it within a new chapter entitled the Resale Disclosure Act. The Act uses one term, “the resale certificate” for the packet of information that are required to go from the Association to a buyer when a property located within a CIC is sold. The Act also sets forth the requirements for contract disclosures, formatting and contents of the resale certificate, applicable fees, termination rights, and liability. The purpose of this change is to consolidate information that was spread over three different chapters in the code and often included different requirements, terms, and definitions. This change also seeks to clarify code language and update obligations to current day. Some substantive changes include the contents and format of the resale certificate, the process of calculating fees, and when the fees are paid.

Enabling Legislation

URBAN GREEN SPACE

House Bill 1510 - Delegate Dawn Adams

Status: Signed by the Governor. Effective July 1, 2023.

This bill authorizes localities to establish programs to grant tax incentives or provide regulatory flexibility to encourage the preservation, restoration, or development of urban green space.

Enabling Legislation Continued

LOCAL STORMWATER MANAGEMENT FUND: CONDOMINIUMS

Senate Bill 1091 - Senator Adam Ebbin
Status: Signed by the Governor. Effective July 1, 2023.

This legislation expands the allowable uses of grants from a local Stormwater Management Fund to include joint flooding mitigation projects of condominium owners.

LOANS FOR SEPTIC SYSTEMS

House Bill 1941 - Delegate Keith Hodges
Status: Signed by the Governor. Effective July 1, 2023.

This bill allows local governments to provide low interest loans for repairs or upgrades to onsite sewage systems that are owned by eligible businesses or homeowners, where public health or water quality concerns are present and connection to a public sewer system is not feasible because of location or cost.

Eviction

WRITS OF EVICTION

House Bill 1836 & Senate Bill 1089 - Delegate Clint Jenkins & Senator Adam Ebbin
Status: Signed by the Governor. Effective July 1, 2023.

This bill requires sheriffs to report back to the court clerk when they execute a writ of eviction.

SUMMONS FOR UNLAWFUL DETAINER FORM

House Bill 1996 - Delegate Charniele Herring
Status: Signed by the Governor. Effective July 1, 2023.

This bill establishes that the instructions on the unlawful detainer form must be posted by the Office of the Executive Secretary of the Supreme Court of Virginia on the Virginia Courts website and made available to the public at the clerks' offices of the local general district courts. It may also be attached to the Summons for Unlawful Detainer served upon defendants at the direction of the chief judge of the general district court. Instructions for the summons for unlawful detainers must be printed in no less than 14 point type; be understandable to persons whose literacy level is fourth grade; explain that failure to appear in court on the hearing date may result in eviction from the defendant's household; and provide the statewide Legal Aid and Virginia Eviction Reduction Pilot program websites and, if applicable, telephone numbers, directing defendants to contact those programs for more information and assistance. These instructions may be translated into languages other than English as necessary.

Home Building

WETLAND & STREAM REPLACEMENT FUND; CREDITS

House Bill 1628 - Delegate Carrie Coyner
Status: Signed by the Governor. Effective July 1, 2023.

This bill permits the use of the Wetland and Stream Replacement Fund for purposes other than the purchase of mitigation bank credits, as set out in the bill, if the Department makes a determination within two years after the collection of moneys for a specific impact that mitigation bank credits for such impact will not be available within three years. Currently, the Department can use such funds for other specified purposes if after three years no mitigation bank credits are available for purchase.

EXTENSION OF LOCAL LAND USE APPROVALS

House Bill 1665 & Senate Bill 1205 - Delegate Danny Marshall & Senator Lynwood Lewis
Status: Signed by the Governor. Effective July 1, 2023.

This legislation extends the sunset date from July 1, 2023, to July 1, 2025, for various local land use approvals that were valid and outstanding as of July 1, 2020.

RESIDENTIAL LAND DEVELOPMENT & CONSTRUCTION FEE TRANSPARENCY; ANNUAL REPORT

House Bill 1671 - Delegate Scott Wyatt
Status: Signed by the Governor. Effective July 1, 2023.

This bill requires localities with a population more than 3,500 to submit an annual report by March 1 to the Department of Housing and Community Development (DHCD) containing the total fee revenue collected by the locality over the preceding calendar year from the processing, reviewing, and permitting of applications for residential land development and construction activities.

TIDAL WETLAND MITIGATION BANK

House Bill 1804 - Delegate Rob Bloxom
Status: Signed by the Governor. Effective July 1, 2023.

This bill authorizes certain entities to purchase or use credits from a tidal wetland mitigation bank located in an adjacent river watershed when such bank contains the same plant community type and salinity regime as the impacted wetlands, which shall be the preferred form of compensation.

STANDARDIZATION OF PUBLIC NOTICE REQUIREMENTS

House Bill 2161 & Senate Bill 1151 - Delegate Wren Williams & Senator John Edwards
Status: Signed by the Governor. Effective July 1, 2023.

This bill standardizes the frequency and length of time that notices of certain meetings, hearings, and other intended actions of localities must be published in newspapers and other print media. In addition, the bill amends the content of notices for zoning ordinances by removing the requirement that they contain a descriptive summary of the proposed action.

Home Building Continued

LOCAL HOUSING POLICY REPORTS

House Bill 2494 - Delegate Lee Ware

Status: Signed by the Governor. Effective July 1, 2023.

This bill requires any locality with a population greater than 3,500 to submit a report to the Department of Housing and Community Development (DHCD) which summarizes any information collected or changes made regarding the locality's proffer policies, ordinances, revisions to the comprehensive plan, or processes affecting the development and construction of housing. The bill requires these localities to submit the report annually by September 1.

WETLAND ZONING PERMIT

House Bill 867 - Delegate John Cosgrove

Status: Signed by the Governor. Effective July 1, 2023.

This bill eliminates the notarization requirement for a permit issued by a local wetlands board for the use or development of any wetland.

POWERS AND DUTIES OF DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Senate Bill 1114 - Senator Bill Stanley

Status: Signed by the Governor. Effective July 1, 2023.

This bill instructs the Director of the Department of Housing and Community Development (DHCD) to develop and operate a Virginia Residential Sites and Structures Locator database to assist localities in marketing structures and parcels determined by the locality to be suitable for residential, mixed-use development, or redevelopment when the owner or owners have authorized the locality to do so.

STOP WORK ORDERS

Senate Bill 1263 - Senator Travis Hackworth

Status: Signed by the Governor. Effective July 1, 2023.

This bill stipulates that during an appeal decision of a stop work order by a local building official, if the court decides in favor of the party that was issued the stop work order, that party is entitled to recover its actual costs of litigation, including court costs, attorney fees, and witness fees, from the locality responsible for issuing the stop work order.

Local Planning

COMPREHENSIVE PLAN: ADDRESS RESILIENCE

House Bill 1634 & Senate Bill 1187 - Delegate David Bulova & Senator Lynwood Lewis

Status: Signed by the Governor. Effective July 1, 2023.

This legislation encourages localities to consider strategies to address resilience in their comprehensive plans. Resilience is defined in the bill as the capability to anticipate, prepare for, respond to, and recover from significant multi-hazard threats with minimum damage to social well-being, health, the economy, and the environment.

Landlord Tenant Act

SECURITY DEPOSITS

House Bill 1542 & Senate Bill 891 - Delegate Jeffery Campbell & Senator John Bell

Status: Signed by the Governor. Effective July 1, 2023.

This legislation increases from 15 to 30 days the additional time that a landlord must provide a tenant with an itemization of damages to the premises and the cost of repair those damages exceed the amount of the tenant's security deposit and require the services of a third-party contractor. The bill sunsets on June 30, 2024.

UNINHABITABLE DWELLING UNIT

House Bill 1635 - Delegate David Bulova

Status: Signed by the Governor. Effective July 1, 2023.

This bill clarifies the process for a rapid refund of money paid by tenants at the start of the lease term if the unit is found to be uninhabitable.

RENT INCREASE

House Bill 1702 - Delegate Michelle Maldonado

Status: Signed by the Governor. Effective July 1, 2023.

This legislation requires landlords to provide a separate, written notice of any increase in rent 60 days before the current lease ends, in the case of any lease with an option to renew or a automatic renewal provision.

STATEMENT OF TENANT RIGHTS & RESPONSIBILITIES

House Bill 1735 - Delegate Schuyler VanValkenburg

Status: Signed by the Governor. Effective July 1, 2023.

This bill states that if a tenant fails or refuses to sign a written rental agreement, the landlord will record the date when he provided the form to the tenant and the fact that the tenant failed or refused to sign the form. The bill gives the landlord the option of providing the tenant a subsequent opportunity to sign the form after their lease begins.

RENTAL DWELLING UNIT KEYS & ELECTRONIC KEY CODES

House Bill 2082 - Delegate Candi King

Status: Signed by the Governor. Effective July 1, 2023.

This bill requires a landlord who owns more than 200 rental dwelling units that are attached to the same piece of real property to require all employees who will have access to rental unit keys to have a pre-employment criminal background check. The bill also states that a landlord must establish written policies and procedures for the storage, issuance and return, and security of rental unit keys and electronic key codes. The provisions of the bill do not apply to a financial institution or a real estate licensee.



Landlord Tenant Act Continued

TERMINATION OF MULTIPLE MONTH-TO-MONTH TENANCIES

House Bill 2441 - Delegate Cia Price

Status: Signed by the Governor. Effective July 1, 2023.

This legislation requires landlords who are terminating month-to-month leases for 50% of their units or 20 units, whichever is greater, at the same property to give these tenants a 60-day notice.

Miscellaneous

VIRGINIA CREDIT SERVICES BUSINESS ACT; DEFINITIONS

House Bill 1544 - Delegate Jeffery Campbell

Status: Signed by the Governor. Effective July 1, 2023.

This bill requires that the information statement provided to a consumer by a credit services business include a complete and accurate statement of a customer's right to receive a free copy of the consumer's credit report annually from each of the three nationwide consumer reporting agencies.

REAL ESTATE SETTLEMENT AGENTS: INFORMED CONSENT

House Bill 1888 - Delegate Rip Sullivan

Status: Signed by the Governor. Effective July 1, 2023.

This bill requires a seller's written informed consent before a real estate settlement agent can collect fees from the seller.

REMOTE LOCATION REQUIREMENTS: MORTGAGE LENDING & BROKERAGE ENTITIES

House Bill 2389 - Bill Wiley

Status: Signed by the Governor. Effective July 1, 2023.

This legislation permits licensees to work from a remote location, newly defined in the bill as a location other than a licensee's principal place of business or office, but only if certain requirements are met, such as the establishment of written policies and procedures for remote work supervision; compliance with security plans; the employment of appropriate risk-based monitoring and oversight processes; agreement of the employee or agent to comply with company practices; the proper maintenance of physical records; access of the licensee's secure systems via a virtual private network with password protection; the installation and maintenance of security updates; and the designation of the principal place of business as the mortgage loan originator's registered location for the purposes of the Nationwide Mortgage Licensing System and Registry record.

Miscellaneous Continued

UNIVERSAL LICENSE RECOGNITION

House Bill 2180 & Senate Bill 1213 - Delegate James Morefield & Senator Ryan McDougle

Status: Signed by the Governor. Effective July 1, 2023.

This bill establishes criteria for an individual licensed, certified, or having work experience in another state to apply to a regulatory board within the Department of Professional and Occupational Regulation (DPOR) and be issued an occupational license or government certification if certain conditions are met. This bill does not apply to work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering, or the services of an economist procured by the State Corporation Commission.

JUDGEMENT LIENS

House Bill 2184 - Delegate Carrie Coyner

Status: Signed by the Governor. Effective July 1, 2023.

This bill creates a procedure for a settlement agent to release a property from a judgment lien when the lien creditor has failed to respond to a request in writing to pay the amount owed.

VIRGINIA REAL ESTATE TIME-SHARE: ALTERNATIVE PURCHASES

House Bill 1955 & Senate Bill 969 - Delegate Anne Tata & Senator Monty Mason

Status: Signed by the Governor. Effective July 1, 2023.

This legislation removes the requirement under the Virginia Real Estate Time-Share Act that a time share developer provide a statement of whether or not the developer reserves the right to add to or delete any alternative purchases.

VIRGINIA CONSUMER PROTECTION ACT

Senate Bill 988 - Senator Mark Peake

Status: Signed by the Governor. Effective July 1, 2023.

This bill excludes residential home sales between natural persons involving the seller's private residence from the provisions of the Virginia Consumer Protection Act.

Solicitation

TELEPHONE SOLICITATION CALLS VIA TEXT MESSAGE

House Bill 1504 - Delegate Bobby Orrock

Status: Signed by the Governor. Effective July 1, 2023.

This bill directs the Joint Commission on Technology and Science to study the practice of unwanted telephone solicitation calls and text messages and asks them to develop recommendations to require a telephone solicitor to allow any person to opt out of receiving such calls or messages. The bill requires the Commission to report its findings and recommendations by November 1, 2023.

PHONE NOTIFICATIONS

House Bill 1590 - Delegate Rip Sullivan

Status: Signed by the Governor. Effective July 1, 2023.

This bill modernizes the harassing phone call statute to include any communications that may ring or otherwise signal or alert. Under current law, only telephones and digital pagers are included within the scope of the statute.

Taxation

TRANSIENT OCCUPANCY TAX

House Bill 1442 – Delegate Joseph McNamara

Status: Signed by the Governor. Effective July 1, 2023.

This bill would require the Department of Taxation to annually publish on its website the current transient occupancy tax rates imposed in each locality.

PASS-THROUGH ENTITY TAX CHANGES

House Bill 1456 & Senate Bill 1476 – Delegate Joseph McNamara & Senator Chap Peterson

Status: Signed by the Governor. Effective July 1, 2021.

This legislation would remove the requirement that a pass-through entity (PTE) be 100 percent owned by natural persons or persons eligible to be shareholders of an S corporation in order to make the PTET election. It also defines an eligible owner as a direct owner of a pass-through entity who is a natural person, an estate, or trust. Finally states that only the pro rata or distributive share of income, gain, loss, or deduction attributable to eligible owners would be subject to the PTET.

*This bill makes changes to the elective entity level tax on pass-through entities effective beginning with taxable year 2021.

DELINQUENT TAX LANDS

House Bill 2110 - Delegate Jeffery Bourne

Status: Signed by the Governor. Effective July 1, 2023.

This bill would extend the time from 60 to 72 months in which a local tax official can suspend the sale of tax delinquent property.

Taxation Continued

LOCAL BUSINESS TAXES: PENALTIES

House Bill 1685 – Delegate Karen Greenhalgh

Status: Signed by the Governor. Effective July 1, 2023.

This bill would require that applications for local business licenses to clearly set out the due dates for the application as well as the penalty amount to be charged for late filing of the application, the underpayment of estimated taxes, and late payment of taxes.

REAL PROPERTY TAX: NOTICE OF RATE AND ASSESSMENT CHANGES

House Bill 1942 – Delegate Tara Durant

Status: Signed by the Governor. Effective July 1, 2023.

The bill would require that any locality that has changed their real estate assessment will give notice by direct mail to the property owner at least 15 days in advance of the public hearing on the assessment change.

LIVABLE HOME TAX CREDIT

House Bill 2099 – Delegate David Bulova

Status: Signed by the Governor. Effective July 1, 2023.

This bill would increase the cap of the Livable Home Tax Credit from \$1 million to \$2 million per fiscal year, as well as increase the maximum amount of Livable Home Tax Credits a taxpayer may claim per year from \$5,000 to \$6,500.

PROPERTY TAX EXEMPTION: VETERANS

House Bill 2414 – Delegate Don Scott

Status: Signed by the Governor. Effective July 1, 2023.

This bill states that the commissioner of revenue must within 20 business days of receiving a disabled veteran or a surviving spouse's real property tax exemption application for a qualified dwelling, process the application and send a letter back stating whether it is approved or denied.

DEED RECORDATION

Senate Bill 1389 – Senator Lynwood Lewis

Status: Signed by the Governor. Effective July 1, 2023.

This bill establishes that upon receipt and review of the recordation receipt, the commissioner must update the land book to reflect the grantee and property address, in writing by the grantee for the delivery of future tax bills.

REAL PROPERTY TAX EXEMPTION: SURVIVING SPOUSES

Senate Joint Resolution 231 - Senator Jeremy McPike

The first of two required references, this bill seeks a constitutional amendment to expand the current tax exemption for real property available to the surviving spouses of soldiers killed in action to include the surviving spouses of soldiers who died in the line of duty with a Line of Duty determination from the U.S. Department of Defense.



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