



2022 and 2023 Laws Affecting Real Estate Licensees

2022

[HB1364/SB775](#) -- **Real estate settlement agents; emergency.** Clarifies that a seller shall not be prohibited from retaining a licensed attorney to represent his interests and provide legal advice pertaining to escrow, closing, or settlement services. This bill is declarative of existing law.

[SB533](#) -- **Department of Professional and Occupational Regulation; real estate brokers; protection of real estate escrow funds.** Clarifies that, upon the ratification of a contract, an earnest money deposit received by the principal broker or supervising broker, or an agent of such principal broker or supervising broker, that will be held in the firm's escrow account shall be placed in such account by the end of the fifth business banking day following ratification, unless otherwise agreed to in writing by the principals to the transaction. The bill provides that if an earnest money deposit received by the principal broker or supervising broker, or an agent of such principal broker or supervising broker, will not be held in the firm's escrow account, the principal broker or supervising broker shall ensure that the earnest money deposit is delivered to the escrow agent named in the contract by the end of the fifth business banking day following receipt of the deposit, unless otherwise agreed to in writing by the principals to the transaction.

[SB69](#) -- **Virginia Residential Landlord and Tenant Act; child care services provisions in rental agreements.** Allows a rental agreement to contain provisions allowing for the tenant's operation of properly licensed and authorized child care services.

[HB470/SB197](#) -- **Common interest communities; prohibition on refusal to recognize a licensed real estate broker.** Clarifies the prohibition on property owners' associations and unit owners' associations pursuant to the Property Owners' Association Act (§ 55.1-1800 et seq.) and the Virginia Condominium Act (§ 55.1-1900 et seq.), as the case may be, refusing to recognize a licensed real estate broker that is designated by the lot owner or unit owner as such lot owner's or unit owner's authorized representative, provided that the property owners' association or unit owners' association is given a written authorization signed by the lot owner or unit owner designating such licensed individual as his authorized representative and containing certain information for such designated representative. The bill also expands the list of authorized persons to whom a seller or seller's authorized agent may provide a written request for the delivery of the association disclosure packet or resale certificate. The bill contains a technical amendment.

[HB284](#) -- **Real Estate Appraiser Board; continuing education to include fair housing or appraisal bias courses.** Provides that any regulation of the Real Estate Appraiser Board setting out continuing education requirements for real estate appraiser licensees as a prerequisite of license renewal shall include at least two hours of fair housing or appraisal bias courses if the Board requires continuing education for the renewal of such licenses. The bill directs the Real Estate Appraiser Board to promulgate regulations to implement the provisions of this act that include a course of at least two hours relating to fair housing or appraisal bias and exempts the initial adoption of such regulations from the Administrative Process Act, except that the Board shall provide an opportunity for public comment prior to adoption of the regulations. The bill has a delayed effective date of July 1, 2023.

[HB281](#) -- **Real property; duty to disclose ownership interest and lis pendens.** Provides that a real estate licensee has an affirmative duty, upon having substantive discussions about specific real property, to disclose in writing to the purchaser, seller, lessor, or lessee of the property if he, any member of his family, his firm, any member of his firm, or any entity in which he has an ownership interest has or will have an ownership interest as a party to the transaction and must also disclose in writing that he is a licensee. The bill requires that an owner of a residential dwelling unit who has actual knowledge of a lis pendens filed against the dwelling unit must provide to a prospective purchaser a written disclosure of such fact on a form provided by the Real Estate Board on its website.

[SB510](#) -- **Department of Professional and Occupational Regulation; Real Estate Board; death or disability of a real estate broker.** Requires a licensed real estate broker who is engaged in a sole proprietorship or is the only licensed broker in a business entity to designate, at the time of his application for broker licensure and at the time of his application for renewal of his license, another licensed broker to carry on the business for 180 days for the sole purpose of concluding the business of such designating broker in the event of the designating broker's death or disability. The bill also clarifies that in the event that the original designated licensed broker is unable or unwilling to perform the act of concluding a deceased or disabled broker's business, the Real Estate Board shall grant approval to conclude the affairs of the business to one of a list of individuals. Under current law, the Board must grant such approval to such individuals in a specific order of priority. Finally, the bill provides that in the event that no listed individual is available or suitable to conclude the business affairs of the deceased or disabled broker, the Board is required to appoint any other licensed broker, with such broker's written consent, within 30 days of receiving written notification of a broker's death or disability, to carry on the business of the deceased or disabled broker for the sole purpose of concluding the business within 180 days. The bill requires the Department of Professional and Occupational Regulation to amend the real estate broker license renewal application form to require applicants for real estate broker license renewal to state that there has been no change to the designated licensed broker.

[HB702](#) -- **Residential Property Disclosure Act; required disclosures for buyer to beware; buyer to exercise necessary due diligence; lot coverage.** Requires that the owner of residential real property include in the residential property disclosure statement provided to a potential purchaser of such residential real property a statement that the owner makes no representation with respect to current lot lines or the ability to expand, improve, or add any structures on the property and that the potential purchaser is advised to exercise necessary due diligence, including obtaining a property survey and contacting the locality to determine zoning ordinances or lot coverage, height, or setback requirements on the property.

2023

[HB172](#) -- **Virginia Residential Landlord and Tenant Act; terms and conditions of rental agreement; rent increase; notice.** Requires a landlord who owns more than four rental dwelling units or more than a 10 percent interest in more than four rental dwelling units, whether individually or through a business entity, in the Commonwealth to, in the case of any rental agreement that contains an option to renew or an automatic renewal provision, provide written notice to the tenant notifying the tenant of any increase in rent during the subsequent rental agreement term no less than 60 days prior to the end of the current rental agreement term.

[HB1735](#) -- **Virginia Residential Landlord and Tenant Act; Manufactured Home Lot Rental Act; statement of tenant rights and responsibilities.** Provides that if a tenant fails or otherwise refuses to sign the form developed by the Department of Housing and Community Development (the Department) and posted on its website acknowledging that the tenant has received the statement of tenant rights and responsibilities from the landlord, the landlord shall record the date or dates on which he provided the form to the tenant and the fact that the tenant failed or otherwise refused to sign such form. The bill gives the landlord the option of providing the tenant a subsequent opportunity to sign such form after the effective date of the tenancy. Finally, the bill directs the Director of the Department to update certain forms to include language directing parties to rental agreements to refer to the Department's website for more resources.

[HB2441](#) -- **Virginia Residential Landlord and Tenant Act; termination of multiple month-to-month tenancies by landlord.** Requires any owner of multifamily premises that fails to renew the greater of either 20 or more month-to-month tenancies or 50 percent of the month-to-month tenancies within a consecutive 30-day period in the same multifamily premises to serve written notice on each such tenant at least 60 days prior to allowing such tenancy to expire. The bill exempts a landlord from the 60 days' notice requirement where a tenant has failed to pay rent in accordance with the rental agreement.

[HB1542/SB891](#) -- **Virginia Residential Landlord and Tenant Act; security deposits.** Increases from 15 to 30 days the additional time period that a landlord has to provide a tenant with an itemization of damages to the premises and the cost of repair when such damages exceed the amount of the tenant's security deposit and require the services of a third-party contractor. The bill has an expiration date of June 30, 2024.

[HB1519](#) -- **Common interest communities; professionally managed associations.** Provides with respect to the Property Owners' Association Act and the Virginia Condominium Act that a management contract that contains an automatic renewal provision may be terminated by the association or unit owners' association, as the case may be, or the common interest community manager of either such association at any time without cause upon not less than 60 days' written notice.

[HB1635](#) -- **Virginia Residential Landlord and Tenant Act; uninhabitable dwelling unit.** Provides that a tenant may terminate the rental agreement and receive a full refund of all deposits and rent paid to the landlord if, at the beginning of the tenancy, a condition exists in the rental dwelling unit that constitutes a fire hazard or serious threat to the life, health, or safety of tenants or occupants of the premises, including an infestation of rodents or a lack of heat, hot or cold running water, electricity, or adequate sewage disposal facilities, so long as the tenant provides the landlord notice of his intent to terminate the rental agreement within seven days of the date on which possession of the dwelling unit was to have transferred to the tenant. The bill requires the landlord to provide the tenant a refund of all deposits and rent paid on or before the fifteenth business day following the day on which (i) the termination notice is delivered to the landlord or (ii) the tenant vacates the dwelling unit, whichever occurs later, unless the landlord provides to the tenant written notice of his refusal to accept the tenant's termination of the rental agreement, along with the reasons for such refusal, within 15 business days following the date on which such termination notice was delivered to the landlord. The bill also provides that any tenant who has not taken possession or who has vacated the dwelling unit may file an action in a court of competent jurisdiction to contest the landlord's refusal to accept the termination notice, if applicable, and for the return of any deposits and rent paid to the landlord, and allows for the prevailing party in any such action to recover reasonable attorney fees.

[HB1888](#) -- **Real estate settlement agents; fees; informed consent.** Requires the written consent of the seller's counsel before a settlement agent or its subsidiaries, affiliates, or subcontractors can collect any fees payable to such settlement agent or its subsidiaries, affiliates, or subcontractors from a represented seller.

[HB2082](#) -- **Virginia Residential Landlord and Tenant Act; employees of the landlord; rental dwelling unit keys and electronic key codes.** Requires a landlord who owns more than 200 rental dwelling units that are attached to the same piece of real property to require any applicant for employment in any position that will have access to keys, defined in the bill, to

each rental dwelling unit to be subject to a pre-employment criminal history records check. The bill also provides that a landlord must establish written policies and procedures for the (i) storage, issuance and return, and security of; (ii) access to; and (iii) if applicable, usage and deactivation of rental dwelling unit keys and electronic key codes. The provisions of the bill do not apply to a financial institution or a real estate licensee.

[HB2184](#) -- **Judgment liens; release of specific property.** Creates a procedure by which a settlement agent may 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.

[HB2235/SB1222](#) -- **Common interest communities; Resale Disclosure Act.** Establishes the Resale Disclosure Act, which sets out disclosure requirements and authorized fees relating to contracts for the resale of property located within common interest communities and provides for the issuance of resale certificates or financial updates. The bill repeals the existing disclosure requirements and authorized fees relating to association disclosure packets under the Property Owners' Association Act and resale certificates under the Virginia Condominium Act. The bill requires a seller to obtain a resale certificate and provide the certificate to the purchaser. The bill does not apply to contracts ratified prior to July 1, 2023.

[HB1627/SB1042](#) -- **Common Interest Community Board; enforcement power over continuing violations of common interest community associations.** Allows the Office of the Common Interest Community Ombudsman, upon receiving any notice of a final adverse decision issued by a common interest community association, to either (i) refer such final adverse decision to the Common Interest Community Board for further review of whether such decision is in conflict with relevant laws or Board regulations or (ii) make a determination of whether such final adverse decision conflicts with relevant laws or Board regulations. If the Office determines that such final adverse decision conflicts with relevant laws or Board regulations, the bill requires the Office to promptly notify the governing board, and if applicable the common interest community manager, of the association of such determination. If the Common Interest Community Ombudsman receives a subsequent notice of final adverse decision for the same violation within one year of such determination, the Office shall refer the matter to the Board. The bill also requires the Office to maintain data on referrals made to the Board. Finally, the bill provides that if, within one year of issuing a determination that an adverse decision issued by a common interest community association is in conflict with relevant laws or Board regulations, the Director of the Department of Professional and Occupational Regulation receives a subsequent notice of final adverse decision for the same violation, the Director must refer the repeat violation to the Board.

[HB1418](#) -- **Department of Professional and Occupational Regulation; Real Estate Appraiser Board; appraisal experience.** Requires the Real Estate Appraiser Board to accept evidence of the successful 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. The bill defines "Certified Residential PAREA Program" or "Licensed Residential PAREA Program" as a Practical Applications of Real Estate Appraisal experience training program approved by the Appraiser Qualifications Board of the Appraisal Foundation that utilizes simulated experience training and serves as an alternative to the traditional supervisor and trainee method of achieving appraisal experience.

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