

The Capital Focus



2017 End of Session Legislative Report

OVERVIEW

VAMA is pleased to present the 2017 Virginia General Assembly Legislative Report. Once again, VAMA's advocacy program has produced meaningful results on behalf of commercial and multifamily property owners and managers that will reduce regulatory burdens and produce a net positive effect for your bottom line.

In the course of this year's compressed 45-day session, the General Assembly considered and took action upon nearly 3,000 individual pieces of proposed legislation, ultimately passing more than half of those measures into law. Yet this year's legislative session was short on high-profile, controversial issues as we head into a 2018 election cycle that will feature contests for all 100 seats of the House of Delegates and Constitutional offices of Governor, Lieutenant Governor, and Attorney General. Instead, legislators' focus was dominated this year by deliberations over proposed spending cuts to close a budget shortfall of \$1.5 billion in the second year of the Commonwealth's biennial budget. In spite of the daunting workload and short timeframe of the 45-day session, combined with the lack of interest among legislators in taking on controversial subject matter, VAMA brought forward a substantial proactive legislative agenda this year, comprising five bills addressing issues of importance to the commercial and multifamily residential real estate industries. We are even more pleased to report that VAMA successfully achieved passage of 100% percent of its proactive legislative agenda through the General Assembly. VAMA further saw to the defeat or amendment of several more measures, which would have otherwise negatively impacted the business climate for owners and managers of revenue-generating properties.

VAMA maintains a full-time presence in Richmond during the General Assembly session, with two registered lobbyists on the ground. VAMA's advocacy team is charged with reviewing all 2,959 bills introduced for consideration for their potential impact on multifamily property owners and managers. VAMA's advocacy team continued to actively monitor nearly 200 individual pieces of legislation, lobbying for the passage or defeat of a large percentage of those bills, taking positions, educating key members and staff, building coalitions, testifying in committees and submitting official statements for the record. Through these efforts, VAMA was able to stave off numerous bills and initiatives which would have layered administrative and financial burdens on its members. We also successfully supported several measures that will benefit our industry going forward, and maintain Virginia's strong position as a great state in which to do business. Ultimately, VAMA notched an extremely successful session on your behalf. Provided within is a summary of key measures VAMA influenced on your behalf this year.

VAMA-INITIATED LEGISLATION

Each year, working with a coalition of business and real property associations, VAMA submits legislation to improve the business climate for owners and operators of multifamily residential properties in Virginia. This year, VAMA brought forward five bills addressing matters of importance to the commercial and multifamily real estate industries. VAMA successfully shepherded these measures through the General Assembly, achieving passage of 100% of its proactive legislative agenda. Each of these bills now head to the Governor's desk to be signed into law and await executive action prior to the April 5 reconvened (or "veto") session.

S.B. 1228/H.B. 2006 - Accommodation of Assistive Animal Requests

Senator George Barker (D-Alexandria) & Delegate Betsy Carr (D-Richmond)

At VAMA's request, the Virginia Housing Commission took up the issue of fraudulent requests for accommodation of assistance animals during this year's legislative interim after members reported a significant spike in prospective tenants claiming disabilities and presenting verification from out-of-state, online services to circumvent no-pet policies, or pet rent, deposits and other associated fees. After

numerous meetings with all affected stakeholders, consensus legislation was introduced. The bills outline the process for responding to requests for accommodation of an assistive animal in accordance with federal law and guidance and stipulate that the person serving as the verifier of a disability must have a “therapeutic relationship” with the prospective tenant requesting accommodation.

VAMA spent numerous hours during session working with the Office of the Attorney General to address issues of consistency raised by the federal Department of Housing and Urban Development (HUD). As a practice, however, HUD does not provide any input into the development of state legislation until after it has been adopted. A ruling of substantial equivalency is therefore still pending. To address this, an enactment clause was placed on the bill to render any provisions unenforceable that might be deemed inconsistent in HUD’s review to avoid Virginia being out of compliance and subject to loss of funding or other punitive action.

On the strength of unanimous votes in both the House and Senate, the two bills have been sent to the Governor’s desk for action prior to the April 5 veto session and will become effective July 1, 2017 unless vetoed or amended by the Governor.

H.B. 1811 - Legal Process Reforms

Delegate Manoli Loupassi (R-Richmond)

H.B. 1811 was introduced on behalf of VAMA and a coalition of other real property organizations. The bill makes amendments to legal processes affecting VAMA members. Specifically, the bill requires the court to award a money judgment for any amounts contracted in a rental agreement on the date of the hearing and removes requirements for a notice of satisfaction of judgment. While this is already included in the Virginia Rental Housing Act, H.B. 1811 copies this code language into the unlawful detainer statute, eliminating any potential for misinterpretation by judges. The bill passed the House of Delegates and the Senate unanimously and now awaits executive action prior to the April 5 veto session, after which time it will go into effect July 1, 2017.

H.B. 2033 - Amendments to the Virginia Rental Housing Act

Delegate Jackson Miller (R-Manassas)

Each year, VAMA works on legislation with a coalition of real property associations initiating industry-friendly amendments to the Virginia Rental Housing Act. Below are some of the highlights of provisions included in this year’s legislation:

- Creates further uniformity in the application of the provisions of the Virginia Residential Landlord/Tenant Act (VRLTA) to all residencies, while allowing a housing provider that owns no more than two single-family units to opt out of the VRLTA and be subject only to the Virginia Landlord/Tenant Act (VLTA)
- Conforms sections in the VRLTA and VLTA, including provisions related to security deposits, lease terms, notice and disclosure
- Clarifies that a housing provider must provide a tenant with written notice of their right to be present for a unit inspection and provides for a housing provider to furnish a tenant with a written statement of charges and payments over the previous 12 months rather than an “accounting” as presently required under current law
- Clarifies that any activity involving or constituting a criminal or willful act by a tenant or authorized occupant, guest or invitee qualifies as an immediate non-remediable violation for which the housing provider may terminate the tenancy
- Stipulates procedures in the event of the death of a tenant, including authorizing a housing provider to dispose of the property of a deceased tenant within 30 days if a personal representative has not been appointed by the Circuit Court after provision of 10 days notice
- Provides that authorized occupants, guests or invitees must vacate the unit upon the death of a sole tenant

- Allows a housing provider to request during a pending unlawful detainer action an order holding the tenant in contempt for failing to provide the housing provider with access to the dwelling unit
- Adds oil to the utilities that may be included in ratio utility billing
- Requires a landlord to provide a written security deposit deposition statement following a move-out inspection and allows a housing provider to seek recovery for additional damages discovered after the security deposit deposition has been made
- Authorizes a housing provider to retain an attorney to prepare or provide any required written notice and permits the use of electronic signature or notarization

H.B. 2033 passed the House of Delegates and Senate on unanimous votes and await Gubernatorial action prior to the April 5 veto session. The bill is slated to take effect July 1, 2017.

OTHER INDUSTRY LEGISLATION

Transfer of Authority over the Statewide Fire Prevention Codes

Senator John Edwards introduced S.B. 1365. This legislation would have transferred authority over the promulgation and adoption of the Statewide Fire Prevention Codes from the Board of Housing and Community Development (where it has resided since 1972) to the Fire Services Board. This is another in a series of legislative and administrative attempts to wrest control over the Fire Prevention Codes over the last ten years. VAMA has engaged in the current regulatory process for over 20 years and it is among the most fair, open and transparent in the country. In contrast, the Fire Services Board does not represent the broad array of stakeholder groups affected by the codes. The Board is comprised of 15 positions, of which 12 are legislative proscribed to be affiliated with either local government or the fire services industry. Only one position is designated to represent the industries affected by the codes.

VAMA rallied a coalition of stakeholder groups including retailers, the hospitality industry, churches, homebuilders, and code officials to oppose the measure. The bill was defeated in the Senate Committee on General Laws on a 10-5 vote.

Property Liens for Delinquent Tenant Recycling/Waste Collection Accounts

Senator Mamie Locke (D-Hampton) introduced S.B. 884 at the request of the City of Newport News to allow local governments to place a lien on a property for the delinquent waste and recycling collection debts of a tenant. The City cited challenges with collecting these debts. VAMA opposed the measure on the basis that it is unfair and inappropriate to make housing providers responsible for the debts incurred by tenants as part of agreements to which the housing provider was not a party. The bill was defeated in the Senate Committee on Local Government on a vote of 7-6.

Capping Late Fees and Allowing a Grace Period for Payment of Rent

Senator Bill Stanley (R-Moneta) introduced S.B. 993 which sought to cap the amount that a housing provider could charge for late rent payments at five percent of the rent payment. The bill would have further stipulated that late charges may not be assessed until after seven days. Upon hearing from numerous industry representatives in opposition to the bill, Senator Stanley agreed to withdraw the bill for 2017 and instead refer the issue for further study by the Housing Commission.

Misdemeanor Crime for Failing to Inspect Units for Abandoned Animals

VAMA defeated legislation introduced at the request of the ASPCA to establish a misdemeanor crime if a housing provider fails to inspect a unit vacated by a tenant for abandoned animals within two days where the housing provider “should have known” that a companion animal was present. VAMA testified against H.B. 2382 in the Civil Law Subcommittee of the House Committee on Courts of Justice and the bill was unanimously laid on the table and defeated.

Senator Lionell Spruill (D-Chesapeake) introduced similar legislation, S.B. 959, on behalf of ASPCA in the Senate. Senator Spruill agreed to amend his bill to place the onus where it properly belongs, on the tenant perpetrating the crime of animal abandonment. The bill was successfully amended and passed by the Senate but failed to pass the House of Delegates.

Access to Multifamily Housing for Service of Process

Senator Jennifer Wexton (D-Leesburg) introduced S.B. 823 to require owners and managers of multifamily residential communities to allow access to the property for the service of process. VAMA members expressed logistical concerns with complying with the terms of the bill as well as conflicts with existing privacy laws. Upon sharing the industry's concerns with the bill, Senator Wexton agreed to withdraw the legislation.

Retrofit of Door Hardware in Existing Buildings

Senator Frank Wagner (R-Virginia Beach) introduced S.B. 1515 to require the retrofit of all existing buildings, residential and commercial, to install manual entry door hardware to comply with the most current building code to allow accessibility for individuals with disabilities. VAMA opposed the measure, which was defeated in the Senate Committee on General Laws.

SCC Oversight of Electric Utility Base Rates

Senator Chap Petersen (D-Fairfax) introduced S.B. 1095 to reverse legislation enacted in 2015 exempting Dominion Virginia Power from biannual rate reviews by the State Corporation Commission (SCC) for a ten year period as the company came into compliance with federal clean air requirements. Senator Petersen's bill would bring the utility back under SCC oversight in the event that the federal regulations are halted by the incoming administration. VAMA fought hard against the 2015 legislation and supported Senator Petersen's bid to restore oversight to utility rates. The bill failed in the Senate Committee on Commerce & Labor. However, the Governor has publicly voiced support for efforts to repeal the agreement reached in 2015. VAMA has sent a letter urging the Governor to send down legislation for consideration in the April 5 veto session or amend other legislative vehicles pending executive action to restore SCC oversight over electric utility base rates.

OTHER INDUSTRY/GENERAL BUSINESS MEASURES

Minimum Wage

This year's General Assembly session also saw the introduction and consideration of numerous bills aimed at increasing Virginia's minimum wage beyond that of the federal government. These bills were all defeated in Committee in the Senate and House of Delegates. These bills included H.B. 1444, H.B. 1771, H.B. 2309, S.B. 785, and S.B. 978.

Limited Residential Lodging

New technological platforms such as Airbnb have made it easier than ever for individuals to rent out properties on a short-term basis. Along with this burgeoning cottage industry have come a plethora of issues for property owners and local governments to include unauthorized subletting of units by tenants, nuisance issues surrounding rental of properties as "party houses," questions surrounding the proper procedures for collection and remittance of transient occupancy taxes, and divergence of standards for hotels and properties effectively being operated as such. Some VAMA members have expressed interest in using platforms such as Airbnb to rent out vacant units on a short-term basis to generate revenue on an otherwise non-performing asset. In response to these issues, some local governments have established regulations to restrict and even prohibit property owners from engaging in short-term rentals. Last year, the Virginia General Assembly considered legislation to avoid the proliferation of patchwork regulation on the local level and create a more hospitable environment for the emerging business model. The bills were adopted, but implementation was deferred until additional action was taken by the General Assembly this year.

The issue was sent to the Virginia Housing Commission to further study. However, negotiations broke down between industry and local governments. As a result, the industry declined to bring forward legislation this year. Senator Tommy Norment (R-Williamsburg) instead introduced legislation that reiterates existing local law, allowing for the regulation of short-term rental of property. The bill, however, did include language at VAMA's request to clarify that the property owner maintains the authority to regulate subleasing of units through the lease agreement.

Are you looking for a particular vendor and don't know where to begin?

Start here...
www.vamaclicknconnect.info



Connecting you with our VAMA Supplier Partners one click at a time!

What is Click-N-Connect? Click-N-Connect is a brand new free online service created by VAMA for it's members. VAMA member management companies and communities can use the online Click-N-Connect portal to request bids for products, services and projects from VAMA Supplier Members.

How does it work? VAMA has a database of VAMA supplier members that provide over 50 various products, services and projects for the apartment industry. When a supplier member joins VAMA, they tell us what products, services and projects they provide as well as the area in which they want to be a member. The VAMA Click-N-Connect online portal contains this supplier database information.

When a Management Company or Community representative (Maintenance Supervisor, Property Manager, Regional Manager...etc) logs into the VAMA website with their VAMA user ID and password under the VAMA member resources section, they can pull up the VAMA Click-N-Connect portal, input information to request a proposal on a product, service or project they want done for their property.

Once the information is submitted into the VAMA Click-N-Connect online portal, the system automatically sends the information to the corresponding supplier members that provide that product, service or project you requested, in the area in which you are located.

Once the VAMA member supplier company receives your request for a bid, they will contact you with additional pricing, information, answer questions or request more detailed specifics about the project not covered in the online submission.

How do I get started?

Owner/Management/Communities: To get started using the VAMA Click-N-Connect online portal, you must go to www.vamaonline.org.

Once you are on the www.vamaonline.org homepage, hover your mouse over where it says "Member Resources" and then a drop down menu will appear. You will then see 2nd down on the list "VAMA Click-N-Connect RFP Portal", click on those words.

Since this is a VAMA member benefit, you will need your VAMA username and password to login. If you do not know your username and password, please contact the VAMA office at (804) 756-8262.

Suppliers: Contact the VAMA Office to make sure your products and services list is updated for all of the products and services in which you provide and that your email address is correct.

You will receive an email notification once you receive a RFP from a Management Company or Apartment Community with the subject line "Request for Proposal (RFP) Notice" from the email address vama@click-n-connect.com.

When you receive this email, you will click on the link which will prompt you to login to the members only Click-N-Connect section of the VAMA website to view the RFPs. You will need your VAMA username and password. If you do not know your username and password, please contact the VAMA office at (804) 756-8262.

How can we help you? If you have any questions about using the VAMA Click-N-Connect online portal, please contact us at (804) 756-8262!

Your feedback is important to us: As with all new product releases, we are constantly improving the product as it evolves. Your feedback on your user experience is important to us. Please email elena@vamaonline.org or teresa@vamaonline.org with your feedback and/or testimonial.

