

HOUSE BILL NO. 1251

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Cousins)

A BILL to amend and reenact § 55.1-1244 of the Code of Virginia, relating to Virginia Residential Landlord and Tenant Act; material noncompliance by landlord; rent escrow; relief.

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

**1. That § 55.1-1244 of the Code of Virginia is amended and reenacted as follows:**

**§ 55.1-1244. Tenant's assertion of material noncompliance; relief.**

A. The tenant may assert that there exists upon the leased premises a condition that constitutes a material noncompliance by the landlord with the rental agreement or with provisions of law or that, if not promptly corrected, will constitute a fire hazard or serious threat to the life, health, or safety of occupants of the premises, including (i) a lack of heat or hot or cold running water, except where the tenant is responsible for payment of the utility charge and where the lack of such heat or hot or cold running water is the direct result of the tenant's failure to pay the utility charge; (ii) a lack of light, electricity, or adequate sewage disposal facilities; (iii) an infestation of rodents; or (iv) the existence of paint containing lead pigment on surfaces within the dwelling, provided that the landlord has notice of such paint. The tenant may file such an assertion in a general district court in which the premises is located by a declaration setting forth such assertion and asking for one or more forms of relief as provided for in subsection ~~D~~E.

B. Prior to the granting of any relief, the tenant shall show to the satisfaction of the court that:

~~1. Prior, prior~~ to the commencement of the action, the landlord or his agent refused or, having a reasonable opportunity to do so, failed to remedy the condition for which he was served a written notice of the condition by the tenant or was notified of such condition by a violation or condemnation notice from an appropriate state or local agency. For the purposes of this subsection, what period of time shall be deemed to be unreasonable delay is left to the discretion of the court, except that there shall be a

27 rebuttable presumption that a period in excess of 30 days from receipt of the notification by the landlord  
28 is unreasonable; and

29 ~~2. The tenant has paid into court the amount of rent called for under the rental agreement, within~~  
30 ~~five days of the date due under the rental agreement, unless or until such amount is modified by subsequent~~  
31 ~~order of the court under this chapter.~~

32 C. During the pendency of the action, the tenant shall pay into a court escrow account the amount  
33 of rent that becomes due subsequent to the initial court date called for under the rental agreement within  
34 five days of the date due under such rental agreement, unless or until such amount is modified by  
35 subsequent order of the court pursuant to this chapter. The tenant shall not be required, however, to pay  
36 the amount of any outstanding rent, late charges, attorney fees, or other charges or damages due in order  
37 to file a tenant's assertion under this section.

38 Failure of the tenant to timely make payments into the court escrow account in accordance with  
39 this subsection shall not be grounds for dismissal of the underlying action but may be considered by the  
40 court when issuing an order pursuant to subsection E. Nothing herein shall prevent a landlord from (i)  
41 proceeding to obtain possession pursuant to subsection F of § 55.1-1245 if the tenant fails to timely make  
42 a rent payment into the court escrow account in accordance with this subsection and the rental agreement  
43 or (ii) obtaining a money judgment for any and all amounts due to the landlord under the rental agreement.

44 D. It shall be sufficient answer or rejoinder to an assertion made pursuant to subsection A if the  
45 landlord establishes to the satisfaction of the court that (i) the conditions alleged by the tenant do not in  
46 fact exist; (ii) such conditions have been removed or remedied; (iii) such conditions have been caused by  
47 the tenant, his guest or invitee, members of the family of such tenant, or a guest or invitee of such family  
48 member; or (iv) the tenant has unreasonably refused entry to the landlord to the premises for the purpose  
49 of correcting such conditions.

50 ~~D.~~ E. Any court shall make findings of fact on the issues before it and shall issue any order that  
51 may be required. Such an order may include ~~any one or more of the following:~~

52 1. Terminating the rental agreement upon the request of the tenant or ordering the surrender of the  
53 premises to the landlord if the landlord prevails on a request for possession pursuant to an unlawful  
54 detainer properly filed with the court;

55 2. Ordering all moneys already accumulated in escrow disbursed to the landlord or to the tenant in  
56 accordance with this chapter;

57 3. Ordering that the escrow be continued until the conditions causing the complaint are remedied;

58 4. Ordering that the amount of any rent, whether paid into the escrow account or paid to the  
59 landlord, be abated as determined by the court in such an amount as may be equitable to represent the  
60 existence of any condition found by the court to exist. In all cases where the court deems that the tenant  
61 is entitled to relief under this chapter, the burden shall be upon the landlord to show cause why there  
62 should not be an abatement of rent;

63 5. Ordering any amount of moneys accumulated in escrow disbursed to the tenant where the  
64 landlord refuses to make repairs after a reasonable time or to the landlord or to a contractor chosen by the  
65 landlord in order to make repairs or to otherwise remedy the condition. In either case, the court shall in its  
66 order insure that moneys thus disbursed will be in fact used for the purpose of making repairs or effecting  
67 a remedy;

68 6. Referring any matter before the court to the proper state or local agency for investigation and  
69 report and granting a continuance of the action or complaint pending receipt of such investigation and  
70 report. When such a continuance is granted, the tenant shall deposit with the court, within five days of  
71 date due under the rental agreement, subject to any abatement under this section, rents that become due  
72 during the period of the continuance, to be held by the court pending its further order;

73 7. Ordering escrow funds disbursed to pay a mortgage on the property in order to stay a foreclosure;  
74 or

75 8. Ordering escrow funds disbursed to pay a creditor to prevent or satisfy a bill to enforce a  
76 mechanic's or materialman's lien.

77 ~~E-F.~~ Notwithstanding any provision of subsection ~~D~~E, where an escrow account is established by  
78 the court and the condition is not fully remedied within six months of the establishment of such account,

79 and the landlord has not made reasonable attempts to remedy the condition, the court shall award all  
80 moneys accumulated in escrow to the tenant. In such event, the escrow shall not be terminated, but shall  
81 begin upon a new six-month period with the same result if, at the end of the period, the condition has not  
82 been remedied.

83 ~~F.~~G. The initial hearing on the tenant's assertion filed pursuant to subsection A shall be held within  
84 15 calendar days from the date of service of process on the landlord as authorized by § 55.1-1216, except  
85 that the court shall order an earlier hearing where emergency conditions are alleged to exist upon the  
86 premises, such as failure of heat in winter, lack of adequate sewage disposal facilities, or any other  
87 condition that constitutes an immediate threat to the health or safety of the inhabitants of the leased  
88 premises. The court, on motion of either party or on its own motion, may hold hearings subsequent to the  
89 initial proceeding in order to further determine the rights and obligations of the parties. Distribution of  
90 escrow moneys may only occur by order of the court after a hearing of which both parties are given notice  
91 as required by law or upon motion of both the landlord and tenant or upon certification by the appropriate  
92 inspector that the work required by the court to be done has been satisfactorily completed. If the tenant  
93 proceeds under this subsection, he may not proceed under any other section of this article as to that breach.

94 ~~G.~~H. In cases where the court deems that the tenant is entitled to relief under this section and  
95 enters judgment for the tenant, the court, in its discretion, may impose upon the landlord the reasonable  
96 costs of the tenant, including court costs, and reasonable attorney fees.

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