

General Assembly Wrap-Up

Description

As the 2022 General Assembly Session comes to an end, we are happy to announce that the Legislative Affairs and Advocacy Committee of VLTA has played a vital role in our voices as a title industry being heard this session on a number of issues.

In Senate Bill 311 (and House Bill 281), the initial proposed legislation amending VA Code Sect. 38.2-4616 suggested adding text specifying certain criteria for notice of availability of owner's title insurance, as well as a requirement that the coverage should be in accordance with the standards of the American Land Title Association. The Legislative Affairs and Advocacy Committee voiced their strong concerns, focusing on turning an affidavit into a contract of insurance and providing for underwriting standards and guidelines into a codified format over this additional language. After discussions with the legislators and their offices, this specific section in question was then completely removed from the proposed bill.

In House Bill 1234, the initial proposed legislation regarding VA Code Sect. 8.01-251 suggested changing the 5-year term back to a 10-year term at the end of Paragraph C, effectively reattaching judgments without due process. This bill also proposed amending Paragraph B to include a motion of the judgment creditor to extend a judgment lien after 2 extensions as sufficient possible extension prior to the ten-year period ending, which would present a lack of notice issue since the language of "motion shall be made" would not be something that would be on record. The Legislative Affairs and Advocacy Committee voiced their strong concerns again, initially suggested filing a lis pendens in order to provide proper notice on record. However, it was ultimately decided to do away with the additional extension in Paragraph B. After a lengthy discussion regarding Paragraph C, it was decided the proposed matters at hand or any revisions proposed therein regarding the year term would not be useful for the concerned parties moving forward, and thus the proposed revisions in Section C were removed. All parties involved in these discussions agreed to come back to the table after session to work together on possibly drafting an entirely new section so as to better address all issues involved.

In Senate Bill 765, the initial proposed legislation amending various Code sections related to notaries suggested many "red flag" issues to not just the title industry, but anything in the Commonwealth requiring a notarial acknowledgement, including requiring applicants to take a course and exam prior to application as well as requiring a bond prior to commission. This Bill was not in play long, as VLTA and several other state-wide organizations, as well as individuals, reached out to the legislators as to the negative ramifications that would come with this proposed bill. Senator Ebbin, as the patron, quashed the Bill himself at the end.

In House Bill 1364 (and Senate Bill 775), the initial proposed legislation suggested amending VA Code Section 55.1-1006 to include clarifying language 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. Since this bill was declarative of existing law, it was able to be included as an emergency clause in response to the Bureau of Insurance administrative letter issued February 4th. While this was a heated topic within the entire Commonwealth title industry, this provision did not revise

or amend existing law itself, rather just provide clarification as to what was already on the books and therefore VLTA did not take any stance on the matter, negative or positive.

As we enter the home stretch, the remaining pieces of legislation are making their way through final committee meetings and final outcomes are being decided on the floors of the House and Senate. There are disagreements between the House and Senate on a number of budget issues including tax breaks and revenue projections, so it is doubtful that the budget will be done on time, likely requiring a special session to finish the job.

Iâ??d like to thank all members who took the time out of their busy schedules to be a part of discussions during this Session!

VLTA Examiner



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3. Legislative
4. Uncategorized

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1. featured

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