

1 ENGROSSED HOUSE  
2 BILL NO. 3499

By: West (Tammy), McDugle,  
Miller, Roberts, Hill,  
Dollens, Moore, Waldron,  
Humphrey, Blancett, Lepak,  
Lowe (Jason), Schreiber and  
Munson of the House

5 and

6 Rader of the Senate

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9  
10 An Act relating to landlord and tenant; amending 41  
11 O.S. 2021, Section 201, which relates to certain  
12 lease agreements; providing for evaluation of certain  
13 prospective tenants; specifying criteria for review;  
14 requiring formal screening policy with respect to  
15 allocations of affordable housing tax credits;  
16 prescribing requirements; and providing an effective  
17 date.

18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 41 O.S. 2021, Section 201, is  
20 amended to read as follows:

21 Section 201. A. The owner of any real property, ~~including any~~  
22 ~~improvements~~ consisting of dwelling units, acquired or improved in  
23 connection with an allocation of income tax credits pursuant to the  
24 provisions of Section 42 of the Internal Revenue Code of 1986, as

1 amended, or in connection with an allocation of income tax credits  
2 pursuant to the provisions of Section 2357.403 of Title 68 of the  
3 Oklahoma Statutes shall have the right to impose conditions in any  
4 lease agreement for the occupancy of any dwelling located on real  
5 property as described by this section which allow the owner to  
6 accept or decline to enter into the lease agreement, or to terminate  
7 a previously executed lease agreement based upon the discovery of  
8 incomplete or false information, with respect to the prior felony  
9 conviction of any person identified as a tenant pursuant to the  
10 terms of the lease agreement, including occupants of the dwelling  
11 whether or not those occupants formally execute a lease agreement.

12 B. The owner of real property as described in subsection A of  
13 this section may either accept or decline to enter into a lease  
14 agreement or to terminate a previously executed lease agreement  
15 based upon felony convictions, whether pursuant to federal law or  
16 the laws of any state or other governmental jurisdiction, for the  
17 following types of offenses:

- 18 1. Possession of any drug or chemical;
- 19 2. Possession of any drug or chemical with intent to  
20 manufacture or distribute;
- 21 3. Sex offenses, including but not limited to any form of  
22 sexual assault, rape, indecent exposure, or other sexually related  
23 offense if such offense was a felony;
- 24 4. Assault or battery or both if the offense was a felony;

1 5. Any felony involving violence against another person; and

2 6. Such other felony offenses as the owner of the real property  
3 as described in subsection A of this section includes in the terms  
4 of the lease agreement.

5 C. When making a decision pursuant to subsection B of this  
6 section for property acquired, developed, or improved in connection  
7 with an allocation of income tax credits pursuant to the provisions  
8 of Section 42 of the Internal Revenue Code of 1986, as amended, or  
9 in connection with an allocation of income tax credits pursuant to  
10 the provisions of Section 2357.403 of Title 68 of the Oklahoma  
11 Statutes, during the compliance period for the credits the owner of  
12 real property shall conduct an individualized review of the criminal  
13 record and its impact on the household's suitability for admission.  
14 The individualized review should include consideration of the  
15 following factors:

16 1. The seriousness of the case, especially with respect to how  
17 it would affect other residents;

18 2. The age of the household member at the time of the offense;

19 3. The length of time since the violation occurred;

20 4. Evidence of participation in rehabilitative programming;

21 5. Other evidence of rehabilitation such as employment,  
22 participation in job training, education, treatment programs, or  
23 letters of recommendation;

1       6. A determination that, if the crime were to occur again, it  
2 would pose a threat to the health, safety, and peaceful enjoyment of  
3 residents and property;

4       7. If the crime is connected to how the prospective tenant or  
5 household member would perform as a tenant and neighbor; and

6       8. Any risk mitigation services the applicant will be receiving  
7 during the tenancy.

8       D. The provisions of this section shall supersede the  
9 administrative rule of any state agency, board, commission,  
10 department, statewide beneficiary public trust or other entity of  
11 state government to the extent of any conflict.

12       ~~D.~~ E. The provisions of subsections A through D of this section  
13 shall be applicable with respect to lease transactions occurring on  
14 or after the effective date of this act without regard to the  
15 construction date of the improvements to real property as described  
16 by subsection A of this section.

17       F. For awards beginning on or after January 1, 2025, an award  
18 recipient for the Affordable Housing Tax Credit Program pursuant to  
19 the provisions of Section 42 of the Internal Revenue Code of 1986,  
20 as amended, or in connection with an allocation of income tax  
21 credits pursuant to the provisions of Section 2357.403 of Title 68  
22 of the Oklahoma Statutes must have a clearly defined criminal  
23 history screening policy in the tenant selection plan that  
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1 establishes criteria for renting to prospective residents and, at a  
2 minimum, include the following:

3 1. Applicants with a criminal conviction may be denied housing  
4 only after conducting an individualized review that considers the  
5 safety of residents and/or property;

6 2. Lookback periods, or the amount of time following a  
7 conviction, during which these records will be considered in  
8 determining admissions;

9 3. No blanket terms such as "Any criminal convictions will be  
10 denied.";

11 4. An established procedure for conducting individualized  
12 reviews of applicants with a criminal record, which will include, at  
13 a minimum, a notification to the applicant that an individualized  
14 review will be conducted, and the applicant's right to provide  
15 supporting documents and mitigating evidence for the individualized  
16 review.

17 G. The Oklahoma Housing Finance Agency shall review the tenant  
18 selection plan to ensure compliance with subsection F of this  
19 section during compliance monitoring review. The Agency shall  
20 provide guidance to owners of real property who receive an award of  
21 Affordable Housing Tax Credit as to creating policies and practices  
22 to comply with this section.

23 SECTION 2. This act shall become effective November 1, 2024.  
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1 Passed the House of Representatives the 7th day of March, 2024.

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3 \_\_\_\_\_  
4 Presiding Officer of the House  
5 of Representatives

6 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2024.

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9 Presiding Officer of the Senate