

1 ENGROSSED HOUSE
2 BILL NO. **billnum**

By: West (Tammy), **McDugle,**
Miller, and **Roberts** of the
House

3
4 and

Rader of the Senate

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8 COMMITTEE SUBSTITUTE

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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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