

1 **SENATE FLOOR VERSION**

2 April 8, 2024

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 3499

6 By: West (Tammy), McDugle,
7 Miller, Roberts, Hill,
8 Dollens, Moore, Waldron,
9 Humphrey, Blancett, Lepak,
10 Lowe (Jason), Schreiber,
11 Munson, Alonso-Sandoval,
12 Swope, and Pae of the House

13 and

14 Rader of the Senate

15
16 [landlord and tenant - lease agreements - screening
17 policy - tax credit - evaluation - review and
18 guidance - effective date]
19

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

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

23 Section 201. A. The owner of any real property, ~~including any~~
24 ~~improvements~~ consisting of dwelling units, acquired or improved in
connection with an allocation of income tax credits pursuant to the
provisions of Section 42 of the Internal Revenue Code of 1986, as
amended, or in connection with an allocation of income tax credits
pursuant to the provisions of Section 2357.403 of Title 68 of the

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

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

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

24

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

4 C. The provisions of this section shall supersede the
5 administrative rule of any state agency, board, commission,
6 department, statewide beneficiary public trust or other entity of
7 state government to the extent of any conflict.

8 D. The provisions of ~~this section~~ subsections A and B shall be
9 applicable with respect to lease transactions occurring on or after
10 ~~the effective date of this act~~ April 29, 2019, without regard to the
11 construction date of the improvements to real property as described
12 by subsection A of this section.

13 E. For awards beginning on or after January 1, 2025, an award
14 recipient for the affordable housing tax credit pursuant to the
15 provisions of Section 42 of the Internal Revenue Code of 1986, as
16 amended, or in connection with income tax credits allocated pursuant
17 to Section 2357.403 of Title 68 of the Oklahoma Statutes shall have
18 a clearly defined criminal history screening policy in a tenant
19 selection plan that establishes criteria for renting to prospective
20 residents and shall include but not be limited to the following:

21 1. An individualized review that considers the safety of
22 residents and property; provided, an applicant with a criminal
23 conviction may be denied housing only after conducting such review;
24

1 2. The amount of time following a conviction, during which
2 criminal records will be considered in determining the approval of a
3 lease application; and

4 3. An established procedure for conducting individualized
5 reviews of applicants with a criminal record, which shall include
6 but not be limited to a notification to the applicant that an
7 individualized review will be conducted and the right of the
8 applicant to provide supporting documentation and mitigating
9 evidence for the individualized review.

10 The screening policy shall not include any statements such as "Any
11 applicants with criminal convictions will be denied".

12 F. An individualized review conducted pursuant to subsection E
13 of this section shall include consideration of the following
14 factors:

15 1. The seriousness of the offense, especially with respect to
16 the effect of the offense on other residents;

17 2. The age of the individual at the time the offense was
18 committed;

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

20 4. Evidence of participation in rehabilitative programming;

21 5. Other evidence of rehabilitation such as employment, job
22 training, educational achievement, treatment program completion, or
23 letters of recommendation;

1 6. A determination of whether a repeated offense would pose a
2 threat to the health, safety, and peace of residents and property;

3 7. Whether the offense has any connection to how the tenant or
4 household member would perform as a tenant, resident, or neighbor;
5 and

6 8. Any risk mitigation services the applicant or household
7 member would receive during the tenancy.

8 G. The Oklahoma Housing Finance Agency shall review the tenant
9 selection plan to ensure compliance with subsection E of this
10 section during compliance monitoring review. The Agency shall
11 provide guidance to owners of real property who receive an award of
12 affordable housing tax credit as it pertains to creation of policies
13 and practices to comply with this section.

14 SECTION 2. This act shall become effective November 1, 2024.

15 COMMITTEE REPORT BY: COMMITTEE ON FINANCE
16 April 8, 2024 - DO PASS AS AMENDED BY CS