

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3499

By: West (Tammy)

AS INTRODUCED

An Act relating to landlord and tenant; amending 41 O.S. 2021, Section 201, which relates to certain lease agreements; providing for evaluation of certain prospective tenants; specifying criteria for review; requiring Oklahoma Housing Finance Agency to collect certain information; requiring formal screening policy with respect to allocations of affordable housing tax credits; prescribing requirements; and providing an effective date.

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

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

Section 201. A. The owner of any real property, including any 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 Oklahoma Statutes shall have the right to impose conditions in any lease agreement for the occupancy of any dwelling located on real

1 property as described by this section which allow the owner to  
2 accept or decline to enter into the lease agreement, or to terminate  
3 a previously executed lease agreement based upon the discovery of  
4 incomplete or false information, with respect to the prior felony  
5 conviction of any person identified as a tenant pursuant to the  
6 terms of the lease agreement, including occupants of the dwelling  
7 whether or not those occupants formally execute a lease agreement.

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

- 14 1. Possession of any drug or chemical;
- 15 2. Possession of any drug or chemical with intent to  
16 manufacture or distribute;
- 17 3. Sex offenses, including but not limited to any form of  
18 sexual assault, rape, indecent exposure, or other sexually related  
19 offense if such offense was a felony;
- 20 4. Assault or battery or both if the offense was a felony;
- 21 5. Any felony involving violence against another person; and
- 22 6. Such other felony offenses as the owner of the real property  
23 as described in subsection A of this section includes in the terms  
24 of the lease agreement.

1       C. When making a decision pursuant to subsection B of this  
2 section, the owner of real property shall conduct an individualized  
3 review of the criminal record and its impact on the household's  
4 suitability for admission. The individualized review should include  
5 consideration of the following factors:

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

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

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

10       4. Evidence of participation in rehabilitative programming;

11       5. Other evidence of rehabilitation such as employment;  
12 participation in job training, education, treatment programs,  
13 letters of recommendation;

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

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

19       8. Any risk mitigation services the application will be  
20 receiving during the tenancy.

21       D. The Oklahoma Housing Finance Agency shall collect data from  
22 each owner of real property on an annual basis regarding the  
23 following:

24       1. The number of applications for tenancy received;  
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1        2. The number of applications that resulted in an approved  
2 application;

3        3. The number of applications that were denied due to criminal  
4 history; and

5        4. A list of criminal offenses reported by an individual who  
6 was denied due to criminal history along with the time elapsed since  
7 the commission of the offense.

8        E. 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.~~ F. The provisions of subsection A through E 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        G. On or after January 1, 2025, an applicant for the Affordable  
18 Housing Tax Credit Program pursuant to the provisions of Section 42  
19 of the Internal Revenue Code of 1986, as amended, or in connection  
20 with an allocation of income tax credits pursuant to the provisions  
21 of Section 2357.403 of Title 68 of the Oklahoma Statutes must have a  
22 clearly defined criminal history screening policy that establishes  
23 criteria for renting to prospective residents and, at a minimum,  
24 include the following:  
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1       1. Applicants with a felony conviction may be denied housing  
2 only if an individualized review demonstrates that the safety of  
3 residents and/or property is at risk;

4       2. Lookback periods, or the amount of time following a felony  
5 conviction during which landlords can consider these records in  
6 determining admissions;

7       3. No blanket terms such as "Any criminal convictions will be  
8 denied.";

9       4. An established procedure for conducting individualized  
10 reviews of applicants with a criminal record, which will include, at  
11 a minimum, a notification to the applicant that an individualized  
12 review will be conducted, the applicant's right to provide  
13 supporting documents and mitigating evidence for the individualized  
14 review, and a timeframe between forty-eight (48) hours and fourteen  
15 (14) days for the applicant to provide supporting information and  
16 for the individualized review to be conducted. The established  
17 procedure may include a cap of maximum days for consecutive  
18 applicants with a criminal record.

19       H. The Oklahoma Housing Financing Agency shall review applicant  
20 policies to ensure compliance with subsection G of this section.  
21 The Agency shall provide guidance to owners of real property as to  
22 creating policies and practices to comply with this section.

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

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