

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 3499

By: West (Tammy)

7 COMMITTEE SUBSTITUTE

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

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

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

17 Section 201. A. The owner of any real property, ~~including any~~  
18 ~~improvements~~ consisting of dwelling units, acquired or improved in  
19 connection with an allocation of income tax credits pursuant to the  
20 provisions of Section 42 of the Internal Revenue Code of 1986, as  
21 amended, or in connection with an allocation of income tax credits  
22 pursuant to the provisions of Section 2357.403 of Title 68 of the  
23 Oklahoma Statutes shall have the right to impose conditions in any  
24 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 for property acquired, developed, or improved in connection  
3 with an allocation of income tax credits pursuant to the provisions  
4 of Section 42 of the Internal Revenue Code of 1986, as amended, or  
5 in connection with an allocation of income tax credits pursuant to  
6 the provisions of Section 2357.403 of Title 68 of the Oklahoma  
7 Statutes, during the compliance period for the credits the owner of  
8 real property shall conduct an individualized review of the criminal  
9 record and its impact on the household's suitability for admission.  
10 The individualized review should include consideration of the  
11 following factors:

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

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

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

16       4. Evidence of participation in rehabilitative programming;

17       5. Other evidence of rehabilitation such as employment,  
18 participation in job training, education, treatment programs, or  
19 letters of recommendation;

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

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

1        8. Any risk mitigation services the applicant will be receiving  
2 during the tenancy.

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

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

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

21        1. Applicants with a criminal conviction may be denied housing  
22 only after conducting an individualized review that considers the  
23 safety of residents and/or property;  
24

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

4        3. No blanket terms such as "Any criminal convictions will be  
5 denied.";

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

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

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

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20        59-2-10620        JM        02/29/24  
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