An Act

ENROLLED HOUSE
BILL NO. 2288

By: Pfeiffer, Pae, Roberts, and Munson of the House

and

Howard, Newhouse, and Young of the Senate

An Act relating to conveyances; prohibiting discriminatory restrictive covenants in real estate transactions; providing discriminatory restrictive covenants are illegal and unenforceable; providing for a declaration to remove discriminatory restrictive covenants; providing declaration to remove discriminatory restrictive covenants form; amending 68 O.S. 2021, Section 3202, which relates to property deed tax exemptions; exempting declaration to remove discriminatory restrictive covenants from taxes; providing for codification; and providing an effective date.

SUBJECT: Conveyances

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 54 of Title 16, unless there is created a duplication in numbering, reads as follows:

A person who owns real property or an interest in real property for which the title includes a recorded conveyance instrument containing an illegal discriminatory restrictive covenant pursuant to the Fair Housing Act, 42 U.S.C., Section 3601 et seq., or another person with the written and notarized permission of the owner, may declare that the discriminatory restrictive covenant is illegal and unenforceable and should be removed. The declaration shall be filed with the clerk of the county where the property is located.

An illegal discriminatory restrictive covenant is not enforceable in this state, and all discriminatory restrictive covenants contained in any real estate conveyance or instrument recorded in this state are unlawful, are unenforceable, and are declared null and void. Any discriminatory restrictive covenant contained in a previously recorded real estate conveyance or instrument is extinguished and severed from the recorded real estate conveyance or instrument and the remainder of the title transaction remains enforceable and effective.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 55 of Title 16, unless there is created a duplication in numbering, reads as follows:

All discriminatory restrictive covenants prohibited by Section 1 of this act may be declared illegal and unenforceable and considered removed from the instrument by the owner of real property subject to such restrictive covenants by recording a declaration to remove the discriminatory restrictive covenants. The real property owner may record such declaration:

1. Prior to recordation of a deed conveying real property to a purchaser; or

2. When such real property owner discovers that such discriminatory restrictive covenants exist.

Such declaration may be prepared without assistance of an attorney, but such declaration to remove the discriminatory restrictive covenants shall conform substantially to the following form:

DECLARATION TO REMOVE DISCRIMINATORY RESTRICTIVE COVENANTS

County where property is located: _____

Date of Instrument containing discriminatory restrictive covenants(s): _____

Instrument Type: _____

Instrument recorded in Book _____ Page _____

Name(s) of Grantor(s): _____

Name(s) of Current Owner(s): _____

Real Property Description: _____

The discriminatory restrictive covenants contained in the above-mentioned instrument are declared to be illegal and unlawful and shall be considered removed from the instrument to the extent that it contains terms purporting to restrict the ownership or use of the property as prohibited by Section 1 of this act.

The undersigned is/are the legal owner(s) of the property described herein.

Signed and delivered this ___ day of_____, ____.

_____ _____

_____ _____

State of Oklahoma,)

) ss.

_____ County.)

Before me, ____ in and for this state, on this ____ day of ____, _____ personally appeared _____ to me known to be the identical person(s) who executed the within and foregoing instrument, and acknowledged to me that ____ executed the same as ____ free and voluntary act and deed for the uses and purposes therein set forth.

SECTION 3. AMENDATORY 68 O.S. 2021, Section 3202, is amended to read as follows:

Section 3202. The tax imposed by Section 3201 of this title shall not apply to:

1. Deeds recorded prior to the effective date of Sections 3201 through 3206 of this title;

2. Deeds which secure a debt or other obligation;

3. Deeds which, without additional consideration, confirm, correct, modify or supplement a deed previously recorded;

4. Deeds between husband and wife, or parent and child, or any persons related within the second degree of consanguinity, without actual consideration therefor, deeds between any person and an express revocable trust created by such person or such person's spouse or deeds pursuant to which property is transferred from a person to a partnership, limited liability company or corporation of which the transferor or the transferor's spouse, parent, child, or other person related within the second degree of consanguinity to the transferor, or trust for primary benefit of such persons, are the only owners of the partnership, limited liability company or corporation. However, if any interest in the partnership, limited liability company or corporation is transferred within one (1) year to any person other than the transferor or the transferor's spouse, parent, child, or other person related within the second degree of consanguinity to the transferor, the seller shall immediately pay the amount of tax which would have been due had this exemption not been granted;

5. Tax deeds;

6. Deeds of release of property which is security for a debt or other obligation;

7. Deeds executed by American Indians in approval proceedings of the district courts or by the Secretary of the Interior;

8. Deeds of partition, unless, for consideration, some of the parties take shares greater in value than their undivided interests, in which event a tax attaches to each deed conveying such greater share computed upon the consideration for the excess;

9. Deeds made pursuant to mergers of partnerships, limited liability companies or corporations;

10. Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock;

11. Deeds or instruments to which the State of Oklahoma or any of its instrumentalities, agencies or subdivisions is a party, whether as grantee or as grantor or in any other capacity;

12. Deeds or instruments to which the United States or any of its agencies or departments is a party, whether as grantor or as

grantee or in any other capacity, provided that this shall not exempt transfers to or from national banks or federal savings and loan associations;

13. Any deed executed pursuant to a foreclosure proceeding in which the grantee is the holder of a mortgage on the property being foreclosed, or any deed executed pursuant to a power of sale in which the grantee is the party exercising such power of sale or any deed executed in favor of the holder of a mortgage on the property in consideration for the release of the borrower from liability on the indebtedness secured by such mortgage except as to cash consideration paid; provided, however, the tax shall apply to deeds in other foreclosure actions, unless otherwise hereinabove exempted, and shall be paid by the purchaser in such foreclosure actions; ~~or~~

14. Deeds and other instruments to which the Oklahoma Space Industry Development Authority or a spaceport user, as defined in the Oklahoma Space Industry Development Act, is a party; or

15. Declarations to remove discriminatory restrictive covenants pursuant to Section 2 of this act.

SECTION 4. This act shall become effective November 1, 2023.

Passed the House of Representatives the 16th day of May, 2023.

Presiding Officer of the House
of Representatives

Passed the Senate the 26th day of April, 2023.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 17th

day of May, 20 23, at 2:36 o'clock p. M.

By: [illegible]

Approved by the Governor of the State of Oklahoma this 22nd

day of May, 20 23, at 8:12 o'clock a. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 22nd

day of May, 20 23, at 9:11 o'clock A M.

By: [illegible]