

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1752

By: Merrick

AS INTRODUCED

An Act relating to real estate; creating the Real Estate Owner's Rights Act; providing short title; making certain matter of statewide concern; establishing certain rights of property owners; granting right for construction and repairs; requiring certain permits and inspections; construing requirement to hire licensed persons under certain condition; authorizing certain assistance to property owner without licensure; granting right for management, rental, and leasing; authorizing delegation of certain functions without licensure; prohibiting disclosure of certain agreements; allowing certain services by certain persons relating to property management; providing exception to real estate licensure; amending 59 O.S. 2021, Sections 858-301, 1017, and 1692, which relate to real estate license exemption, plumbing and electrical licensures; providing exception to licensures of certain property owners; providing an exception to mechanical licensure; providing for codification; and providing an effective date.

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 858-1000 of Title 59, unless there is created a duplication in numbering, reads as follows:

1 This act shall be known and may be cited as the "Real Estate
2 Owner's Rights Act".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 858-1001 of Title 59, unless
5 there is created a duplication in numbering, reads as follows:

6 As a matter of statewide concern, an owner of real property in
7 this state has the following rights:

8 A. The right to construct, install, and repair.

9 1. Notwithstanding any provision of law or municipal ordinance
10 to the contrary, an owner of residential real property or farm
11 property who resides in this state and whose real property is
12 located in this state shall be authorized to, and have the absolute
13 right to, personally perform any construction, installation, work,
14 or repairs to his or her property including, but not limited to,
15 fencing, landscaping, telephone, plumbing, electrical, roofing,
16 mechanical, carpentry, concrete, masonry, or painting, without first
17 obtaining licensure as may be required for such construction,
18 installation, work or repair; provided, however, the owner shall be
19 required to:

20 a. obtain all applicable state and local permits and
21 inspections to satisfy the state and local building
22 code requirements, if any,

23 b. obtain the services of a qualified professional or
24 obtain applicable authority when working directly
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1 with, connecting to, or disconnecting from any public
2 utility system, public service corporation system, or
3 any utility metering device or equipment, and

4 c. disclose the nature and extent of the construction,
5 installation, work, or repairs performed by the owner
6 for purposes of the sale of such property, if
7 licensure would have been required for such work.

8 2. Nothing in this subsection shall be construed to allow the
9 owner of any residential real property or farm property to avoid the
10 hiring of a qualified licensed professional to perform any
11 construction, installation, work, or repairs to his or her property
12 where a valid license is required by law or municipal ordinance
13 should the work be performed by a person other than the actual owner
14 of the property or by the owner's family members, relatives, or
15 employees without such persons being licensed.

16 3. For purposes of this subsection, an owner is authorized to,
17 and shall have the absolute right to, be assisted by his or her
18 family members, relatives, or employees when performing
19 construction, installation, work, or repairs to his or her
20 residential real property or farm property.

21 4. Nothing in this section shall be construed to allow the
22 owner of any residential real property or farm property to avoid or
23 breach any Homeowner Association (HOA) agreements or neighborhood
24 covenants governing the property.

1 B. The right to manage, rent, lease, and sell.

2 1. An owner of residential real property or farm property who
3 resides in this state and whose property is located in this state
4 shall be authorized to, and have the absolute right to, personally
5 manage, rent, and/or lease or sell his or her property without
6 obtaining a real estate license or using a licensed real estate
7 broker, sales associate, or property management company for such
8 purposes, or paying any fee to or registering such property with a
9 municipality.

10 2. Any owner of residential real property or farm property who
11 resides in-state or out-of-state and whose property is located in
12 this state may delegate, and shall have an absolute right to
13 delegate, another qualified person to manage, rent, and/or lease his
14 or her property without the owner or designated agent being required
15 to obtain a real estate license or obtain the services of a licensed
16 real estate broker, sales associate, or property management company
17 if exempt under paragraph 10 of Section 858-301 of Title 59 of the
18 Oklahoma Statutes, or pay any fee to or register such property with
19 a municipality.

20 3. Notwithstanding any provision of law or municipal ordinance
21 to the contrary, an owner of residential real property or farm
22 property, or the designated agent of such owner, shall not be
23 required to disclose any rental, lease, or property management
24 agreement to a municipality as a condition of property management,

1 rental, or leasing by the property owner or his or her designated
2 agent.

3 4. Nothing in this subsection shall be construed to prohibit an
4 owner of residential real property or farm property from utilizing
5 the services of a licensed real estate broker, sales associate, or
6 property management company for any purpose or service relating to
7 his or her property.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 858-606 of Title 59, unless
10 there is created a duplication in numbering, reads as follows:

11 Pursuant to this act, an owner of residential real property or
12 farm property shall not be required to obtain or hold a valid real
13 estate broker license, sales associate license, or be in the
14 business of real property management to manage, rent, lease, or sell
15 his or her real property, and an owner's qualified designated agent
16 shall be exempt from licensure as provided in paragraph 10 of
17 Section 858-301 of Title 59 of the Oklahoma Statutes.

18 SECTION 4. AMENDATORY 59 O.S. 2021, Section 858-301, is
19 amended to read as follows:

20 Section 858-301. It shall be unlawful for any person to act as
21 a real estate licensee, or to hold himself or herself out as such,
22 unless the person shall have been licensed to do so under ~~the~~ The
23 Oklahoma Real Estate License Code. For the purposes of this
24 section, it shall be considered acting as a real estate licensee for
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1 any person, partnership, trust, association or corporation, or the
2 partners, officers or employees of any partnership, trust,
3 association or corporation, to publicly market for sale an equitable
4 interest in a contract for the purchase of real property between a
5 property owner and a prospective purchaser. However, nothing in
6 this section shall:

7 1. Prevent any person, partnership, trust, association or
8 corporation, or the partners, officers or employees of any
9 partnership, trustees or beneficiaries of any trust, association or
10 corporation, from acquiring real estate for its own use, nor shall
11 anything in this section prevent any person, partnership, trust,
12 association or corporation, or the partners, officers or employees
13 of any partnership, trustees or beneficiaries of any trust,
14 association or corporation, as owner, lessor or lessee of real
15 estate, from selling, renting, leasing, exchanging, or offering to
16 sell, rent, lease or exchange, any real estate so owned or leased,
17 or from performing any acts with respect to such real estate when
18 such acts are performed in the regular course of, or as an incident
19 to, the management, ownership or sales of such real estate and the
20 investment therein; however, it shall be prohibited for any person,
21 partnership, officers or employees of any partnership, trustees or
22 beneficiaries of any trust, association or corporation to publicly
23 market for sale an equitable interest in a contract for the purchase
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1 of real property between a property owner and a prospective
2 purchaser without holding an active Oklahoma real estate license;

3 2. Apply to persons acting as the attorney-in-fact for the
4 owner of any real estate authorizing the final consummation by
5 performance of any contract for the sale, lease or exchange of such
6 real estate;

7 3. In any way prohibit any attorney-at-law from performing the
8 duties of the attorney as such, nor shall this Code prohibit a
9 receiver, trustee in bankruptcy, administrator, executor, or his or
10 her attorney, from performing his or her duties, or any person from
11 performing any acts under the order of any court, or acting as a
12 trustee under the terms of any trust, will, agreement or deed of
13 trust;

14 4. Apply to any person acting as the resident manager for the
15 owner or an employee acting as the resident manager for a licensed
16 real estate broker managing an apartment building, duplex, apartment
17 complex or court, when such resident manager resides on the premises
18 and is engaged in the leasing of property in connection with the
19 employment of the resident manager;

20 5. Apply to any person who engages in such activity on behalf
21 of a corporation or governmental body, to acquire easements, rights-
22 of-way, leases, permits and licenses, including any and all
23 amendments thereto, and other similar interests in real estate, for
24 the purpose of, or facilities related to, transportation,

1 communication services, cable lines, utilities, pipelines, or oil,
2 gas, and petroleum products;

3 6. Apply to any person who engages in such activity in
4 connection with the acquisition of real estate on behalf of an
5 entity, public or private, which has the right to acquire the real
6 estate by eminent domain;

7 7. Apply to any person who is a resident of an apartment
8 building, duplex, or apartment complex or court, when the person
9 receives a resident referral fee. As used in this paragraph, a
10 "resident referral fee" means a nominal fee not to exceed One
11 Hundred Dollars (\$100.00), offered to a resident for the act of
12 recommending the property for lease to a family member, friend, or
13 coworker;

14 8. Apply to any person or entity managing a transient lodging
15 facility. For purposes of this paragraph, "transient lodging
16 facility" means a furnished room or furnished suite of rooms which
17 is rented to a person on a daily basis, not as a principal
18 residence, for a period less than thirty (30) days; ~~or~~

19 9. Apply to employees of a licensed real estate broker who
20 lease residential housing units only to eligible persons who qualify
21 through a state or federal housing subsidized program to lease the
22 property in an affordable housing development project. "Affordable
23 housing development project" means a housing development of four or
24 more units constructed for lease to specifically eligible persons as
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1 required by the particular federal or state housing program,
2 including, but not limited to, the U.S. Department of Housing and
3 Urban Development, the U.S. Department of Agriculture Rural
4 Development, the U.S. Department of Treasury Internal Revenue
5 Service, or the Oklahoma Housing Finance Agency; or

6 10. Apply to any person acting as the designated agent for an
7 individual owner of residential real property or farm property who
8 is a family member, relative, employee, or contractor of such owner
9 and who is managing, renting, leasing, or offering to rent, lease,
10 or exchange the real estate so owned, or is performing any acts with
11 respect to such real estate when such acts are performed in the
12 regular course of, or as an incident to, the management or ownership
13 of such real estate and the investment therein; provided, however,
14 the designated agent must work exclusively for owner-family members,
15 owner-relatives, or an owner-employer to be eligible for the license
16 exemption.

17 SECTION 5. AMENDATORY 59 O.S. 2021, Section 1017, is
18 amended to read as follows:

19 Section 1017. The provisions of The Plumbing License Law of
20 1955 shall not apply to:

21 1. Minor repairs, consisting of repairing or replacing faucets
22 or minor working parts of plumbing fixtures;

23 2. Farm buildings located outside any city or town unless such
24 buildings are connected to a public water or sewer system;

1 3. Maintenance work for state institutions and school
2 districts;

3 4. The installation, maintenance, repair, renovation of
4 automatic sprinkler systems and related mechanical appurtenances
5 beginning at a point where the pipe or piping system provides water
6 used exclusively for these automatic sprinklers and their related
7 appurtenances and to standpipes connected to automatic sprinkler
8 systems;

9 5. The construction, installation, maintenance, repair,
10 renovation, and/or removal of pipe or piping systems and related
11 mechanical appurtenances including backflow preventers, appliances
12 and/or equipment used in connection therewith, directly or
13 indirectly within or without any building or structure, from a point
14 or location in a source of potable water supply at which point or
15 location there exists any backflow preventer, provided that ~~said~~ the
16 pipe and/or piping systems are for:

17 a. heating, except radiant-floor heating systems as
18 defined in subparagraph d of paragraph 9 of Section
19 1003 of this title,

20 b. cooling,

21 c. air conditioning,

22 d. refrigeration, or

23 e. boilers and other pressure vessels of whatsoever kind
24 and character.

1 A "backflow preventer," as used herein, means any permanent
2 mechanical device, or combination of permanent mechanical devices,
3 of whatever material, which, after installation acts to prevent a
4 reversal of the normal directional flow of potable water within the
5 piping system in which it is installed, and shall include, but not
6 be limited to, metal checkvalves and airgaps, either naturally or
7 artificially created. Provided, further, that the exclusionary
8 provisions of this paragraph shall apply only to and within
9 governmental agencies, counties, cities and towns which now have or
10 which hereafter may adopt separate laws relating to the licensing,
11 registration and regulating of persons engaged, for business
12 purposes, in any of the areas of trade hereinbefore specified in
13 this paragraph; the exemptions herein being provided to apply only
14 to these items specifically regulated by any such local laws and
15 ordinances; and

16 6. An individual who performs plumbing work on ~~such~~
17 ~~individual's~~ residential or farm property of residence owned by the
18 individual or an owner who performs plumbing work on his or her
19 property with the assistance of his or her family members, relatives
20 or employees as authorized by this act.

21 SECTION 6. AMENDATORY 59 O.S. 2021, Section 1692, is
22 amended to read as follows:

23 Section 1692. A. The provisions of the Electrical License Act
24 shall not apply to:

1 1. Minor repairs, consisting of repairing or replacing outlets
2 or minor working parts of electrical fixtures;

3 2. Maintenance work for state and federal institutions;

4 3. The construction, installation, maintenance, repair, and
5 renovation by a public utility regulated by the Corporation
6 Commission;

7 4. Public service corporations, telephone and telegraph
8 companies, rural electric associations or municipal utilities;

9 5. The construction, installation, maintenance, repair, and
10 renovation of telephone equipment or computer systems by a person,
11 firm, or corporation engaged in the telecommunications or
12 information systems industry when such activities involve work
13 exclusively for communication of data, voice, or for other signaling
14 purposes; except fire alarm systems, security systems, and
15 environmental control systems that are not an integral part of a
16 telecommunications system; or

17 6. The installation, maintenance, repair or replacement of
18 water supply pumps, provided such work is performed from the output
19 side of a fused disconnect or breaker box.

20 B. Nothing in the Electrical License Act shall be construed to
21 require:

22 1. Employment of a licensed electrical contractor, journeyman
23 electrician or electrical apprentice except as required by local
24 ordinances and resolutions;

1 2. Any regular employee of any firm or corporation to hold a
2 license before doing any electrical work on the property of the firm
3 or corporation whether or not the property is owned, leased or
4 rented except as may be required by local ordinances and
5 resolutions; or

6 3. An individual to hold a license before doing electrical work
7 on his or her own property or residence ~~except as may be required by~~
8 ~~local ordinances and resolutions~~ or an owner who performs electrical
9 work on his or her property or residence with the assistance of his
10 or her family members, relatives, or employees as authorized by this
11 act.

12 SECTION 7. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1850.7a of Title 59, unless
14 there is created a duplication in numbering, reads as follows:

15 The provisions of the Mechanical Licensing Act shall not apply
16 to an individual who performs mechanical work on residential or farm
17 property owned by the individual or an owner of property who
18 performs mechanical work with the assistance of his or her family
19 members, relatives, or employees as authorized by this act.

20 SECTION 8. This act shall become effective November 1, 2022.

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