

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB 3528
Version:	Introduced
Request Number:	9238
Author:	Rep. Virgin
Date:	2/7/2022
Impact:	No fiscal impact anticipated

Research Analysis

HB3528, as introduced, creates the Oklahoma Farmland and Wealth Preservation Act, and is applicable to partition actions filed on or after November 1, 2022.

The measure establishes a process for the court to supervise notice, appraisal, division, sale or reassignment of fractional shares of heir property among cotenants when there is a no record governing partition among the owners and one of the cotenants seek a partition action. The measure:

- Requires the cotenant requesting the partition to give notice to all of the other cotenants;
- Requires the court to order an independent appraisal to determine the fair market value of the property as a single parcel. If any cotenant objects to the appraised value, the court must hold a hearing to consider other evidence;
- Provides any cotenant the option to buy the interest of the cotenant seeking partition for a proportional share of the court-determined fair market value. The cotenants have 45 days to exercise their right of first refusal, and if exercised, another 60 days in which to arrange for financing. If more than one cotenant elects to buy the shares of the cotenant seeking partition, the court will pro-rate the sellers shares among the buyers according to their existing fractional ownership percentages;
- If no cotenant elects to purchase shares from the cotenant seeking partition, the court must order a partition-in-kind, unless the court determines that partition-in-kind will result in great prejudice to the cotenants as a group;
- If the court orders a partition-by-sale, the property must be offered for sale on the open market or by sealed bids or auction if the court determines that would be more economically advantageous and in the best interest of the contents as a group;
- For a open-market sale, the cotenants may select their own property broker or one can be appointed by the court. The broker must price the property no lower than the court-determined value for a reasonable period of time and in a commercially reasonable manner.

Prepared By: Quyen Do

Fiscal Analysis

The measure, as introduced, enacts the Oklahoma Farmland and Wealth Preservation Act. The measure establishes a framework for the partition of real property among heirs for partition actions filed on or after November 1st, 2022.

Upon review, the measure has no fiscal implications for the State.

Prepared By: Clayton Mayfield

Other Considerations

None.

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