

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 2288

6 By: Pfeiffer

7 COMMITTEE SUBSTITUTE

8 An Act relating to conveyances; prohibiting
9 discriminatory restrictive covenants in real estate
10 transactions; providing discriminatory restrictive
11 covenants are illegal and unenforceable; providing
12 for a declaration to remove certain discriminatory
13 restrictive covenants; providing declaration to
14 remove certain discriminatory restrictive covenants
15 form; amending 68 O.S. 2021, which relates to
16 property deed tax exemptions; exempting declaration
17 to remove certain discriminatory restrictive
18 covenants from taxes; providing for codification; and
19 providing an effective date.

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

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

24 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 covenants pursuant
to the Fair Housing Act, 42 U.S.C. Section 3601 et seq., or another
person with the permission of the owner, may declare that the

1 discriminatory restrictive covenants are illegal and unenforceable
2 and should be removed. The declaration shall be filed with the
3 clerk of the county where the property is located.

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

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

17 Any discriminatory restrictive covenants prohibited by Section 1
18 of this act may be declared illegal and unenforceable and considered
19 removed from the instrument by the owner of real property subject to
20 such restrictive covenants by recording a declaration to remove
21 certain discriminatory restrictive covenants. The real property
22 owner may record such declaration:

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

1 _____
2 _____

3 State of Oklahoma,)
4) ss.
5 _____ County.)

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

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

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

- 16 1. Deeds recorded prior to the effective date of Sections 3201
17 through 3206 of this title;
- 18 2. Deeds which secure a debt or other obligation;
- 19 3. Deeds which, without additional consideration, confirm,
20 correct, modify or supplement a deed previously recorded;
- 21 4. Deeds between husband and wife, or parent and child, or any
22 persons related within the second degree of consanguinity, without
23 actual consideration therefor, deeds between any person and an
24 express revocable trust created by such person or such person's

1 spouse or deeds pursuant to which property is transferred from a
2 person to a partnership, limited liability company or corporation of
3 which the transferor or the transferor's spouse, parent, child, or
4 other person related within the second degree of consanguinity to
5 the transferor, or trust for primary benefit of such persons, are
6 the only owners of the partnership, limited liability company or
7 corporation. However, if any interest in the partnership, limited
8 liability company or corporation is transferred within one (1) year
9 to any person other than the transferor or the transferor's spouse,
10 parent, child, or other person related within the second degree of
11 consanguinity to the transferor, the seller shall immediately pay
12 the amount of tax which would have been due had this exemption not
13 been granted;

14 5. Tax deeds;

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

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

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

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

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

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

7 12. Deeds or instruments to which the United States or any of
8 its agencies or departments is a party, whether as grantor or as
9 grantee or in any other capacity, provided that this shall not
10 exempt transfers to or from national banks or federal savings and
11 loan associations;

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

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

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

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

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