

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4   COMMITTEE SUBSTITUTE  
5   FOR ENGROSSED  
6   SENATE BILL NO. 1705

                                  By: Howard, Bullard, Pederson,  
                                  and Burns of the Senate

  and

  Moore and **Hays** of the House

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10                                   COMMITTEE SUBSTITUTE

11           An Act relating to alien ownership of land; amending  
12           60 O.S. 2021, Sections 121, as amended by Section 1,  
13           Chapter 327, O.S.L. 2023, 124, 125, 126, and 127 (60  
14           O.S. Supp. 2023, Section 121), which relate to  
15           prohibition of alien ownership of land; defining  
16           terms; adding entities prohibited from certain  
17           ownership; updating statutory reference; adding  
18           persons authorized to execute certain affidavit;  
19           requiring notarization of certain document; providing  
20           exemptions to certain requirements; requiring  
21           inclusion of specific exemption on recorded deed;  
22           authorizing Attorney General to establish additional  
23           exemptions; allowing substantial compliance to  
24           certain form requirements; updating statutory  
          language; changing escheatment to foreclosure for  
          property owned by aliens; providing order of payment  
          for foreclosed property owned by aliens; and  
          providing an effective date.

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

1 SECTION 1. AMENDATORY 60 O.S. 2021, Section 121, as  
2 amended by Section 1, Chapter 327, O.S.L. 2023 (60 O.S. Supp. 2023,  
3 Section 121), is amended to read as follows:

4 Section 121. A. As used in Chapter 3 of this title:

5 1. "Deed" means any instrument in writing whereby land is  
6 assigned, transferred, or otherwise conveyed to, or vested in, the  
7 person coming into title or, at his or her direction, any other  
8 person;

9 2. "Foreign government adversary" means a government other than  
10 the federal government of the United States, the government of any  
11 state, political subdivision of the state, tribe, territory, or  
12 possession of the United States and designated by the United States  
13 Secretary of State as hostile or a Country of Particular Concern  
14 (CPC);

15 3. "Foreign government enterprise" means a business entity,  
16 sovereign wealth fund, or state-backed investment fund in which a  
17 foreign government adversary holds a controlling interest; and

18 4. "Land" means the same as defined in Section 6 of this title,  
19 but shall not include oil, gas, other minerals, or any interest  
20 therein.

21 B. No alien, foreign government adversary, or any person who is  
22 not a citizen of the United States shall acquire title to or own  
23 land in this state either directly or indirectly through a business  
24 entity ~~or~~, trust, or foreign government adversary enterprise, except

1 as hereinafter provided, but ~~he or she~~ they shall have and enjoy in  
2 this state such rights as to personal property as are, or shall be,  
3 accorded a citizen of the United States under the laws of the nation  
4 to which such alien belongs, or by the treaties of such nation with  
5 the United States, except as the same may be affected by the  
6 provisions of Section 121 et seq. of this title or the Constitution  
7 of this state. Provided, however, the requirements of this  
8 subsection shall not apply to a business entity that is engaged in  
9 regulated interstate commerce in accordance with federal law.

10 ~~B. C.~~ B. C. On or after ~~the effective date of this act~~ November 1,  
11 2023, any deed recorded with a county clerk shall include as an  
12 exhibit to the deed an affidavit executed by the person ~~or,~~ the  
13 person's attorney-in-fact, a court-appointed guardian or personal  
14 representative, an authorized officer of the entity, or trustee of  
15 the trust coming into title attesting that the person, business  
16 entity, or trust is obtaining the land in compliance with the  
17 requirements of this section and that no funding source is being  
18 used in the sale or transfer in violation of this section or any  
19 other state or federal law. A county clerk shall not accept and  
20 record any deed without an affidavit as required by this section  
21 which is duly notarized pursuant to Title 49 of the Oklahoma  
22 Statutes. The requirements of this subsection shall not apply to a:

23 1. Deed which, without additional consideration, confirms,  
24 corrects, modifies, or supplements a deed previously recorded;

1        2. Deed made by a grantor to cure a defect in title or  
2 effectuate a disclaimer of interest in real property;

3        3. Transfer-on-death deed made by a grantor designating a  
4 grantee beneficiary pursuant to the Nontestamentary Transfer of  
5 Property Act, Section 1251 et seq. of Title 58 of the Oklahoma  
6 Statutes;

7        4. State or federal court order in an action to quiet title or  
8 to cure a defect in title;

9        5. State or federal court order or decree in probate,  
10 partition, quiet title, and divorce actions;

11        6. Deed which secures a debt or other obligation, or which  
12 releases such property as security for a debt or other obligation;

13        7. Deed of dedication to the public; or

14        8. Deed in favor of the United States or any of its political  
15 subdivisions, a state or any of its political subdivisions, or a  
16 tribe.

17        The applicable exemption shall be shown on the face of the deed  
18 prior to the recording of the deed and no affidavit shall be  
19 required.

20        D. The Attorney General shall promulgate a separate affidavit  
21 form for individuals and for business entities or trusts to comply  
22 with the requirements of this section, ~~with the exception of those~~  
23 ~~deeds.~~ The Attorney General may establish additional exemptions  
24 which the Attorney General deems necessary ~~when promulgating the~~

1 ~~affidavit form~~ to substantially comply with the requirements of this  
2 section. The county clerk may accept an affidavit in substantial  
3 compliance with the affidavit form promulgated by the Attorney  
4 General.

5 SECTION 2. AMENDATORY 60 O.S. 2021, Section 124, is  
6 amended to read as follows:

7 Section 124. Any alien who shall hereafter hold lands in the  
8 State of Oklahoma in contravention of the provisions of this  
9 article, may nevertheless convey the fee simple title thereof at any  
10 time before the institution of ~~escheat~~ foreclosure proceedings as  
11 hereinafter provided: Provided, however, that if any such  
12 conveyance shall be made by such alien either to an alien or a  
13 citizen of the United States in trust, and for the purpose and with  
14 the intention of evading the provisions of this article, or the  
15 provisions of the Constitution of this state, such conveyance shall  
16 be null and void, and any such lands so conveyed shall be forfeited  
17 and ~~escheated to the state~~ absolutely foreclosed upon.

18 SECTION 3. AMENDATORY 60 O.S. 2021, Section 125, is  
19 amended to read as follows:

20 Section 125. It shall be the duty of the Attorney General or  
21 the district attorney of the county where the land is ~~situate~~  
22 situated, when he shall be informed or have reason to believe that  
23 any lands in the state are being held contrary to the provisions of  
24 this act, or the provisions of the Constitution of this state, to

1 institute suit in behalf of the State of Oklahoma in the district  
2 court of the county in which said lands are ~~situate~~ situated,  
3 praying for the ~~escheat~~ foreclosure of the same ~~in behalf of the~~  
4 ~~state, and proceed therein as in cases provided by law for escheats~~  
5 ~~of lands or property where such property has no known owner:.~~  
6 Provided, that before any such suit is instituted, the Attorney  
7 General, or district attorney aforesaid, as the case may be, shall  
8 give thirty (30) days' notice by registered letter of his or her  
9 intention to sue, directed to the owner of the lands, at his or her  
10 last-known post office address or to the persons who last rendered  
11 the same for taxes, or to any known agents of the owner; proof of  
12 having mailed such registered letter shall be deemed and held prima  
13 facie evidence of the giving of such notice.

14 SECTION 4. AMENDATORY 60 O.S. 2021, Section 126, is  
15 amended to read as follows:

16 Section 126. In case the lands, at the time ~~escheat~~ foreclosure  
17 proceedings are about to be commenced, are owned by minors, or by  
18 persons of unsound mind, such notice shall be addressed to the  
19 guardian of the said minors, or persons of unsound mind, and if  
20 there is no such guardian, the Attorney General of the state, or  
21 district attorney shall make application in the name of the state to  
22 the court and procure the appointment of a guardian ad litem to  
23 represent such minor, or person of unsound mind in such proceedings;  
24 thereafter the district attorney shall direct the clerk of such

1 court to ascertain the residence or ~~postoffice~~ post office address  
2 of the next of kin of such minor, or person of unsound mind, and to  
3 transmit to such next of kin a copy of the petition or application  
4 to ~~escheat~~ foreclose such lands, and such minor or person of unsound  
5 mind shall have ninety (90) days after the mailing of such notice to  
6 appear and defend the action.

7 SECTION 5. AMENDATORY 60 O.S. 2021, Section 127, is  
8 amended to read as follows:

9 Section 127. If it shall be determined upon the trial of any  
10 such ~~escheat~~ foreclosure proceedings that lands are held contrary to  
11 the provisions of this article, or the Constitution of this state,  
12 the court trying said cause shall render judgment condemning such  
13 lands, and order the same to be sold under the order of court, at  
14 such time, terms, and conditions as to the court may seem best; the  
15 proceeds of such sale after deducting the cost of the proceeding,  
16 shall be paid to any lienholders of the property if applicable, then  
17 the rest shall be paid to the clerk of the court rendering the  
18 judgment where the same shall remain for one (1) year from the date  
19 of such payment, subject to the order of the alien owner of such  
20 lands, his or her heirs and legal representatives, and if not  
21 claimed within the period of one (1) year, such clerk shall pay the  
22 same into the treasury of the state for the benefit of the available  
23 school fund of the ~~State~~ state: Provided, that when any money shall  
24 have been paid to the State Treasurer as hereinabove provided, an

1 alien or his or her heirs may procure the same to be returned by  
2 applying for and procuring an order from the court condemning the  
3 property showing that such judgment ~~eschating~~ foreclosing said  
4 property was procured by fraud, or mistake, or that there was  
5 material irregularity in the proceedings; this application, however,  
6 must be made within two (2) years from the date such monies were  
7 turned over into the State Treasury; and in no event shall the state  
8 be liable or called on to refund any further sum than the actual  
9 cash transmitted and delivered to such Treasurer: Provided,  
10 further, that the defendant in such ~~escheat~~ foreclosure proceedings  
11 may at any time before final judgment suggest and prove to the  
12 court, that he has conformed to, or complied with the law, under and  
13 by which they will be entitled to hold such estate; which, it being  
14 admitted or proved, said suit shall be dismissed on payment by  
15 defendant of the costs and reasonable attorney's fees, to be fixed  
16 by the court.

17 SECTION 6. This act shall become effective November 1, 2024.

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19 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE, dated 04/10/2024 - DO  
20 PASS, As Amended and Coauthored.  
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