

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 60th Legislature (2026)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3985

By: Caldwell (Trey) and
 Crosswhite Hader of the
 House

7 and

8 Daniels of the Senate

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11 COMMITTEE SUBSTITUTE

12 An Act relating to property; creating the Oklahoma
13 Safe Neighborhoods Act of 2026; defining terms;
14 providing rules for certain property owner or triple
15 net leaseholder claims; requiring compensation for
16 certain property damage; listing certain compensable
17 damages; providing for compensation in lieu of claims
18 for monetary damages; providing for how compensation
19 should be determined; determining limits for
20 compensation amounts; providing time period for
21 acceptance or rejection of claims; providing
22 procedural rules following the acceptance or
23 rejection of claims; limiting the number of claims
24 per year; permitting voluntary settlements; providing
 exceptions; providing for codification; and providing
 an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1110 of Title 60, unless there
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Oklahoma Safe
5 Neighborhoods Act of 2026".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 1111 of Title 60, unless there
8 is created a duplication in numbering, reads as follows:

9 As used in this act:

10 1. "Affected government" means a city, town, or county to which
11 a property owner is submitting a claim provided under this act;

12 2. "Fair market value" means the most likely price, estimated
13 in terms of money, which land would bring if sold in the open
14 market, with reasonable time allowed in which to find a purchaser,
15 buying with knowledge of all the uses and purposes to which the land
16 is adapted and for which the land is capable;

17 3. "Just compensation" means, for purposes of an action of
18 diminution in value, the sum of money that is equal to the reduction
19 in fair market value of the property resulting from the adoption of
20 the policy, pattern, or practice or maintenance of public nuisance;
21 and

22 4. "Property owner" means either the holder of fee title to
23 real property, or a triple net leaseholder.
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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1112 of Title 60, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Notwithstanding any other law, a property owner located in a
5 municipality with a population in excess of one hundred thirty
6 thousand (130,000) people, as determined by the most recent Federal
7 Decennial Census, may submit a claim for compensation in an amount
8 determined pursuant to subsection B of this section if an affected
9 government in which the real property is located adopts and follows
10 a policy, pattern, or practice of declining to enforce existing
11 laws, ordinances, or other legislation prohibiting illegal public
12 camping, obstructing public thoroughfares, loitering, panhandling,
13 public urination or defecation, public consumption of alcoholic
14 beverages, possession or use of illegal substances, or shoplifting,
15 or if the affected government in which the real property is located
16 maintains a public nuisance, and either of the following occurs:

17 1. The property owner incurs documented expenses to mitigate
18 the effects of such policy, pattern, practice, or public nuisance on
19 the property owner's real property; or

20 2. The fair market value of the property owner's private real
21 property is reduced by such policy, pattern, practice, or public
22 nuisance.
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1 B. The amount of compensation to which the property owner is
2 entitled shall be, at the property owner's election, equal to
3 either:

4 1. The documented expenses incurred by the property owner that
5 were reasonably necessary to mitigate the effects of the policy,
6 pattern, practice, or public nuisance on the property owner's real
7 property; or

8 2. The reduction in fair market value of the property resulting
9 from the government policy, pattern, practice, or public nuisance.

10 C. The compensation allowed under this section:

11 1. Is in lieu of any claim for monetary damages; and

12 2. May not exceed the amount the property owner paid in the
13 prior tax year in primary property taxes to the affected government.

14 If the total amount of compensation determined pursuant to
15 subsection B of this section is more than the amount the property
16 owner paid in the prior tax year in primary property taxes to the
17 affected government and the claim is accepted, the affected
18 government shall pay the full amount of the primary property tax
19 back to the property owner. The property owner may submit a claim
20 for the remaining portion of the compensation in the following and
21 successive tax years, until the full amount is repaid. No interest
22 shall accrue on the unpaid amount.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1113 of Title 60, unless there
3 is created a duplication in numbering, reads as follows:

4 A. Within thirty (30) days after a property owner submits a
5 written claim for compensation to the affected government in a
6 specific amount for reimbursement for mitigation expenses or just
7 compensation, the affected government shall accept or reject the
8 claim.

9 1. If the affected government accepts the claim, it shall pay
10 the amount requested to the property owner.

11 2. If the affected government rejects the claim or does not
12 respond to the claim within thirty (30) days, the property owner may
13 file a cause of action in the district court of the county in which
14 the real property is located to challenge the rejection of the
15 claim. The questions of whether the property owner is entitled to
16 the compensation and whether the amount of the claim is reasonable
17 are judicial questions.

18 B. In a cause of action filed pursuant to paragraph 2 of
19 subsection A of this section:

20 1. The affected government shall bear the burden of
21 demonstrating that its actions are lawful or that the amount of the
22 claim is unreasonable;

23 2. The property owner is not liable to the affected government
24 for attorney fees or costs; and

1 3. A prevailing property owner shall be awarded reasonable
2 attorney fees and costs.

3 C. No claim other than those expressly prescribed by this act
4 shall require submission as a prerequisite to demanding or receiving
5 reimbursement for mitigation expenses or just compensation pursuant
6 to this section.

7 D. A property owner may only receive one repayment per calendar
8 year under the provisions of Section 3 of this act.

9 E. If the policy, pattern, practice, or public nuisance remains
10 in place after the property owner submits a claim pursuant to this
11 section and there is demonstrable additional damage to the property,
12 the property owner is entitled to additional compensation under this
13 section in a subsequent tax year, unless the affected government and
14 the property owner enter into a knowing and voluntary settlement, or
15 the affected government ends the policy, pattern, or practice or
16 abates the public nuisance.

17 F. The remedy established by this section is in addition to any
18 other remedy that is provided by the laws and Constitution of
19 Oklahoma or the United States and is not intended to modify or
20 replace such remedies.

21 G. Nothing in this section prohibits the property owner from
22 entering into a knowing and voluntary settlement with the affected
23 government for an amount less than the property owner requested in
24 the claim submitted pursuant to this act.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1114 of Title 60, unless there
3 is created a duplication in numbering, reads as follows:

4 This act shall not apply to:

5 1. Decisions by city, town, or county authorities to exercise
6 prosecutorial discretion not to prosecute alleged offenders if such
7 discretion is exercised on a case-by-case basis and the
8 justifications for each decision are published on a monthly basis by
9 the city, town, or county;

10 2. Acts of executive clemency; or

11 3. Acts or omissions mandated by federal law.

12 SECTION 6. This act shall become effective November 1, 2026.

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14 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
15 03/02/2026 - DO PASS, As Amended and Coauthored.

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