

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1114

By: Stewart

6 AS INTRODUCED

7 An Act relating to cities and towns; providing  
8 definitions; permitting municipalities to adopt a  
9 municipal land bank program; directing governing  
10 bodies to establish or approve a land bank; providing  
11 qualifications for a developer to participate in land  
12 bank program; mandating municipalities operate the  
13 program in conformance with land bank plan; requiring  
14 plans be adopted annually; permitting amendments to  
15 plan; requiring consideration of other housing plans  
16 and policies; providing required content of plan;  
17 requiring a public hearing; requiring city manager  
18 provide notice to certain parties; requiring copies  
19 of proposed plan be made available to the public;  
20 providing procedure for sale of property to land  
21 bank; clarifying sale of property is for a public  
22 purpose; clarifying no contest is a waiver of  
23 challenge; requiring written notice of sale;  
24 permitting owner of property to request property not  
be sold in manner provided in this act; requiring  
officer sell in accordance with certain procedures;  
permitting taxing units to sale property for less  
than market value; clarifying what the deed of  
conveyance includes; providing conditions for  
subsequent resale of property; requiring sale of  
property within certain time frame; limiting number  
of properties a land bank may own; requiring deed of  
property sold by land bank include right of reverter;  
requiring certain deed restrictions; clarifying that  
certain deed restrictions automatically renew;  
permitting modification and addition of deed  
restrictions; requiring compliance with open meetings  
and open records acts; directing land bank to keep  
accurate minutes of meetings, records, accounts;  
directing land bank to file annual audited financial  
statements; directing land bank file annual

1           performance report; providing requiring content of  
2           performance report; requiring land bank to maintain  
3           certain records; requiring land bank and municipality  
4           maintain copies of performance report for public  
5           review; providing for codification; and providing an  
6           effective date.

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

8           SECTION 1.        NEW LAW        A new section of law to be codified  
9           in the Oklahoma Statutes as Section 57-101 of Title 11, unless there  
10          is created a duplication in numbering, reads as follows:

11          As used in this act:

12          1. "Affordable" means that the monthly mortgage payment or  
13          contract rent does not exceed thirty percent (30%) of the applicable  
14          median family income for that unit size, in accordance with the  
15          income and rent limit rules adopted by the Oklahoma Housing Finance  
16          Agency;

17          2. "Community housing development organization" or  
18          "organization" means an organization that:

- 19           a.        meets the definition of a community housing  
20                   development organization in 24 C.F.R., Section 92.2,  
21                   and  
22           b.        is certified by the municipality as a community  
23                   housing development organization;

1       3. "Land bank" means an entity established or approved by the  
2 governing body of a municipality for the purpose of acquiring,  
3 holding, and transferring unimproved real property under this act;

4       4. "Low income household" means a household with a gross income  
5 of not greater than eighty percent (80%) of the area median family  
6 income, adjusted for household size, for the metropolitan  
7 statistical area in which the municipality is located, as determined  
8 annually by the United States Department of Housing and Urban  
9 Development;

10      5. "Qualified participating developer" means a developer who  
11 meets the requirements of Section 3 of this act and includes a  
12 qualified organization under Section 9 of this act;

13      6. "Municipal land bank plan" or "plan" means a plan adopted by  
14 the governing body of a municipality as provided by Section 4 of  
15 this act; and

16      7. "Municipal land bank program" or "program" means a program  
17 adopted under Section 2 of this act.

18      SECTION 2.     NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 57-102 of Title 11, unless there  
20 is created a duplication in numbering, reads as follows:

21      A. The governing body of a municipality may adopt a municipal  
22 land bank program in which the officer charged with selling real  
23 property ordered sold pursuant to foreclosure of a tax lien may sell

1 certain eligible real property by private sale for purposes of  
2 affordable housing development as provided by this act.

3       B. The governing body of a municipality that adopts a municipal  
4 land bank program shall establish or approve a land bank for the  
5 purpose of acquiring, holding, and transferring unimproved real  
6 property under this act.

7       SECTION 3.       NEW LAW       A new section of law to be codified  
8 in the Oklahoma Statutes as Section 57-103 of Title 11, unless there  
9 is created a duplication in numbering, reads as follows:

10       To qualify to participate in a municipal land bank program, a  
11 developer must:

12       1. Have developed three or more housing units within the three-  
13 year period preceding the submission of a proposal to the land bank  
14 seeking to acquire real property from the land bank;

15       2. Have a development plan approved by the municipality for the  
16 land bank property; and

17       3. Meet any other requirements adopted by the municipality in  
18 the municipal land bank plan.

19       SECTION 4.       NEW LAW       A new section of law to be codified  
20 in the Oklahoma Statutes as Section 57-104 of Title 11, unless there  
21 is created a duplication in numbering, reads as follows:

22       A. A municipality that adopts a municipal land bank program  
23 shall operate the program in conformance with a municipal land bank  
24 plan.

1       B. The governing body of a municipality that adopts a municipal  
2 land bank program shall adopt a plan annually. The plan may be  
3 amended from time to time.

4       C. In developing the plan, the municipality shall consider  
5 other housing plans adopted by the municipality, including the  
6 comprehensive plan submitted to the United States Department of  
7 Housing and Urban Development and all fair housing plans and  
8 policies adopted or agreed to by the municipality.

9       D. The plan must include the following:

10      1. A list of community housing development organizations  
11 eligible to participate in the right of first refusal provided by  
12 Section 9 of this act;

13      2. A list of the parcels of real property that may become  
14 eligible for sale to the land bank during the next year;

15      3. The municipality's plan for affordable housing development  
16 on those parcels of real property; and

17      4. The sources and amounts of money anticipated to be available  
18 from the municipality for subsidies for development of affordable  
19 housing in the municipality, including any money specifically  
20 available for housing developed under the program, as approved by  
21 the governing body of the municipality at the time the plan is  
22 adopted.

1 SECTION 5. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 57-105 of Title 11, unless there  
3 is created a duplication in numbering, reads as follows:

4 A. Before adopting a plan, a municipality shall hold a public  
5 hearing on the proposed plan.

6 B. The city manager or the city manager's designee shall  
7 provide notice of the hearing to all community housing development  
8 organizations and to neighborhood associations identified by the  
9 municipality as serving the neighborhoods in which properties  
10 anticipated to be available for sale to the land bank under this  
11 chapter are located.

12 C. The city manager or the city manager's designee shall make  
13 copies of the proposed plan available to the public not later than  
14 the sixtieth day before the date of the public hearing.

15 SECTION 6. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 57-106 of Title 11, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. Notwithstanding any other law and except as provided by  
19 subsection F of this section, property that is ordered sold pursuant  
20 to foreclosure of a tax lien may be sold in a private sale to a land  
21 bank by the officer charged with the sale of the property without  
22 first offering the property for sale as otherwise provided by  
23 Section 231 of Title 68 of the Oklahoma Statutes, if:

1       1. The market value of the property as specified in the  
2 judgment of foreclosure is less than the total amount due under the  
3 judgment, including all taxes, penalties, and interest, plus the  
4 value of nontax liens held by a taxing unit and awarded by the  
5 judgment, court costs, and the cost of the sale;

6       2. The property is not improved with a building or buildings;

7       3. There are delinquent taxes on the property for a total of at  
8 least five (5) years; and

9       4. The municipality has executed with the other taxing units  
10 that are parties to the tax suit an interlocal agreement that  
11 enables those units to agree to participate in the program while  
12 retaining the right to withhold consent to the sale of specific  
13 properties to the land bank.

14      B. A sale of property for use in connection with the program is  
15 a sale for a public purpose.

16      C. If the person being sued in a suit for foreclosure of a tax  
17 lien does not contest the market value of the property in the suit,  
18 the person waives the right to challenge the amount of the market  
19 value determined by the court for purposes of the sale of the  
20 property.

21      D. For any sale of property under this act, each person who was  
22 a defendant to the judgment, or that person's attorney, shall be  
23 given, not later than the ninetieth day before the date of sale,  
24 written notice of the proposed method of sale of the property by the

1      officer charged with the sale of the property. Notice must be given  
2      in the manner prescribed in Section 2004 of Title 12 of the Oklahoma  
3      Statutes.

4            E. After receipt of the notice required by subsection D of this  
5      section and before the date of the proposed sale, the owner of the  
6      property subject to sale may file with the officer charged with the  
7      sale a written request that the property not be sold in the manner  
8      provided by this act.

9            F. If the officer charged with the sale receives a written  
10     request as provided by subsection E of this section, the officer  
11     shall sell the property as otherwise provided in Section 231 of  
12     Title 68 of the Oklahoma Statutes.

13            G. The owner of the property subject to sale may not receive  
14     any proceeds of a sale under this act. However, the owner does not  
15     have any personal liability for a deficiency of the judgment as a  
16     result of a sale under this act.

17            H. Notwithstanding any other law, if consent is given by the  
18     taxing units that are a party to the judgment, property may be sold  
19     to the land bank for less than the market value of the property as  
20     specified in the judgment or less than the total of all taxes,  
21     penalties, and interest, plus the value of nontax liens held by a  
22     taxing unit and awarded by the judgment, court costs, and the cost  
23     of the sale.

24

1       I. The deed of conveyance of the property sold to a land bank  
2 under this section conveys to the land bank the right, title, and  
3 interest acquired or held by each taxing unit that was a party to  
4 the judgment, subject to the right of redemption.

5       SECTION 7.       NEW LAW       A new section of law to be codified  
6 in the Oklahoma Statutes as Section 57-107 of Title 11, unless there  
7 is created a duplication in numbering, reads as follows:

8       A. Each subsequent resale of property acquired by a land bank  
9 under this act must comply with the conditions of this section.

10      B. Within the three-year period following the date of  
11 acquisition, the land bank must sell a property to a qualified  
12 participating developer for the purpose of construction of  
13 affordable housing for sale or rent to low-income households. If,  
14 after three (3) years, a qualified participating developer has not  
15 purchased the property, the property shall be transferred from the  
16 land bank to the taxing units who were parties to the judgment for  
17 disposition as otherwise allowed under the law.

18      C. Unless the municipality increases the amount in its plan,  
19 the number of properties acquired by a qualified participating  
20 developer under this section on which development has not been  
21 completed may not at any time exceed three times the annual average  
22 residential production completed by the qualified participating  
23 developer during the preceding two-year period as determined by the  
24 municipality.

1       D. The deed conveying a property sold by the land bank must  
2 include a right of reverter so that, if the qualified participating  
3 developer does not apply for a construction permit and close on any  
4 construction financing within the two-year period following the date  
5 of the conveyance of the property from the land bank to the  
6 qualified participating developer, the property will revert to the  
7 land bank for subsequent resale to another qualified participating  
8 developer or conveyance to the taxing units who were parties to the  
9 judgment for disposition as otherwise allowed under the law.

10      SECTION 8.     NEW LAW     A new section of law to be codified  
11 in the Oklahoma Statutes as Section 57-108 of Title 11, unless there  
12 is created a duplication in numbering, reads as follows:

13      A. The land bank shall impose deed restrictions on property  
14 sold to qualified participating developers requiring the development  
15 and sale or rental of the property to low-income households.

16      B. At least twenty-five percent (25%) of the land bank  
17 properties sold during any given fiscal year to be developed for  
18 sale shall be deed restricted for sale to households with gross  
19 household incomes not greater than sixty percent (60%) of the area  
20 median family income, adjusted for household size, for the  
21 metropolitan statistical area in which the municipality is located,  
22 as determined annually by the United States Department of Housing  
23 and Urban Development.

1       C. If property is developed for rental housing, the deed  
2 restrictions must be for a period of not less than twenty (20) years  
3 and must require that:

4           1. One hundred percent (100%) of the rental units be occupied  
5 by and affordable to households with incomes not greater than sixty  
6 percent (60%) of area median family income, based on gross household  
7 income, adjusted for household size, for the metropolitan  
8 statistical area in which the municipality is located, as determined  
9 annually by the United States Department of Housing and Urban  
10 Development;

11           2. Forty percent (40%) of the units be occupied by and  
12 affordable to households with incomes not greater than fifty percent  
13 (50%) of area median family income, based on gross household income,  
14 adjusted for household size, for the metropolitan statistical area  
15 in which the municipality is located, as determined annually by the  
16 United States Department of Housing and Urban Development; or

17           3. Twenty percent (20%) of the units be occupied by and  
18 affordable to households with incomes not greater than thirty  
19 percent (30%) of area median family income, based on gross household  
20 income, adjusted for household size, for the metropolitan  
21 statistical area in which the municipality is located, as determined  
22 annually by the United States Department of Housing and Urban  
23 Development.

1       D. The deed restrictions under subsection C of this section  
2 must require the owner to file an annual occupancy report with the  
3 municipality on a reporting form provided by the municipality. The  
4 deed restrictions must also prohibit any exclusion of an individual  
5 or family from admission to the development based solely on the  
6 participation of the individual or family in the housing choice  
7 voucher program under Section 8, United States Housing Act of 1937  
8 (42 U.S.C. Section 1437f), as amended.

9       E. Except as otherwise provided by this section, if the deed  
10 restrictions imposed under this section are for a term of years, the  
11 deed restrictions shall renew automatically.

12      F. The land bank or the governing body of the municipality may  
13 modify or add to the deed restrictions imposed under this section.  
14 Any modifications or additions made by the governing body of the  
15 municipality must be adopted by the municipality as part of its plan  
16 and must comply with the restrictions set forth in subsections B, C,  
17 and D of this section.

18      SECTION 9.     NEW LAW       A new section of law to be codified  
19 in the Oklahoma Statutes as Section 57-109 of Title 11, unless there  
20 is created a duplication in numbering, reads as follows:

21      The land bank shall comply with the requirements of the Oklahoma  
22 Open Meetings Act in Title 25 of the Oklahoma Statutes and the  
23 Oklahoma Open Records Act in Title 51 of the Oklahoma Statutes.

1 SECTION 10. NEW LAW A new section of law to be codified

2 in the Oklahoma Statutes as Section 57-110 of Title 11, unless there  
3 is created a duplication in numbering, reads as follows:

4       A. The land bank shall keep accurate minutes of its meetings  
5 and shall keep accurate records and books of account that conform  
6 with generally accepted principles of accounting and that clearly  
7 reflect the income and expenses of the land bank and all  
8 transactions in relation to its property.

9       B. The land bank shall file with the municipality not later  
10 than the ninetieth (90th) day after the close of the fiscal year  
11 annual audited financial statements prepared by a certified public  
12 accountant. The financial transactions of the land bank are subject  
13 to audit by the municipality.

14       C. For purposes of evaluating the effectiveness of the program,  
15 the land bank shall submit an annual performance report to the  
16 municipality not later than November 1 of each year in which the  
17 land bank acquires or sells property under this act. The  
18 performance report must include:

19           1. A complete and detailed written accounting of all money and  
20 properties received and disbursed by the land bank during the  
21 preceding fiscal year;

22           2. For each property acquired by the land bank during the  
23 preceding fiscal year:

24              a. the street address of the property,

- 1                   b. the legal description of the property,
- 2                   c. the date the land bank took title to the property,
- 3                   d. the name and address of the property owner of record
- 4                         at the time of the foreclosure,
- 5                   e. the amount of taxes and other costs owed at the time
- 6                         of the foreclosure, and
- 7                   f. the assessed value of the property on the tax roll at
- 8                         the time of the foreclosure;

9                   3. For each property sold by the land bank during the preceding  
10 fiscal year to a qualified participating developer:

- 11                   a. the street address of the property,
- 12                   b. the legal description of the property,
- 13                   c. the name and mailing address of the developer,
- 14                   d. the purchase price paid by the developer,
- 15                   e. the maximum incomes allowed for the households by the
- 16                         terms of the sale, and
- 17                   f. the source and amount of any public subsidy provided
- 18                         by the municipality to facilitate the sale or rental
- 19                         of the property to a household within the targeted
- 20                         income levels;

21                   4. For each property sold by a qualified participating  
22 developer during the preceding fiscal year, the buyer's household  
23 income and a description of all use and sale restrictions; and

1       5. For each property developed for rental housing with an  
2 active deed restriction, a copy of the most recent annual report  
3 filed by the owner with the land bank.

4       D. The land bank shall maintain in its records for inspection a  
5 copy of the sale settlement statement for each property sold by a  
6 qualified participating developer and a copy of the first page of  
7 the mortgage note with the interest rate and indicating the volume  
8 and page number of the instrument as filed with the county clerk.

9       E. The land bank shall provide copies of the performance report  
10 to the taxing units who were parties to the judgment of foreclosure  
11 and shall provide notice of the availability of the performance  
12 report for review to the organizations and neighborhood associations  
13 identified by the municipality as serving the neighborhoods in which  
14 properties sold to the land bank under this chapter are located.

15       F. The land bank and the municipality shall maintain copies of  
16 the performance report available for public review.

17       SECTION 11. This act shall become effective November 1, 2025.  
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