

An Act

ENROLLED SENATE
BILL NO. 1526

By: Floyd of the Senate

and

Osburn of the House

An Act relating to the Oklahoma Subdivided Land Sales Code; amending 71 O.S. 2021, Sections 602, 625, 626, 627, 628, 631, 633, 642, 652, 655, 660, 662, 663, and 664, which relate to definitions, registration of subdivided lands, licensing, liens, fees, violations, rules, filing of documents, and service of process; modifying definitions; modifying entity to receive certain filings; decreasing number of required copies of certain statement; requiring inclusion of electronic mail and website addresses in certain statements; modifying persons to file application for certain registration; modifying official authorized to enter certain denial order; removing certain licensing requirements; removing certain record keeping requirements; prohibiting offer or disposition of lots by certain persons; deleting certain licensing fees; modifying certain record keeping requirements for the Administrator of the Department of Securities; conforming language; updating statutory language; making language gender neutral; repealing 71 O.S. 2021, Sections 632 and 634, which relate to application for license and denial, revocation, or suspension of license; and providing an effective date.

SUBJECT: Modifying definitions relevant to the Oklahoma Subdivided Land Sales Code

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

SECTION 1. AMENDATORY 71 O.S. 2021, Section 602, is amended to read as follows:

Section 602. In this Code, unless the context otherwise requires;

1. "Administrator" means the Administrator of the Department of Securities;

2. "Advertising" means:

- a. ~~any circular, prospectus, public offering statement, information, advertisement or other material or communication by radio, television, pictures, newspapers, magazines or similar media~~ material published or designed for use in social media or a newspaper, magazine, or other periodical, or for radio, television, telephone solicitations or tape recordings, videotaped displays, signs, billboards, motion pictures, telephone directories other than routine listings, websites, other public media, and any other written or electronic communication distributed or made generally available to customers or the public and used in connection with a disposition, an offer to dispose of, or any inducement to any person to purchase or acquire an interest in the title to any subdivided lands, including any leasehold interest or land contract,
- b. any material used to induce prospective purchasers to visit any subdivided lands or submit to a presentation by a subdivider or any of ~~his~~ the subdivider's representatives or agents including but not limited to websites, prospectuses, pamphlets, circulars, form letters, market letters, telemarketing scripts, seminar texts, research reports, surveys, performance reports or summaries, and reprints or excerpts of any other advertisement, sales literature, or published material, and

- c. the entire promotional plan for the disposition of subdivided lands, including promotional displays at public or private events, parties, dinners, or other meetings;

Advertising shall not mean stockholder communications including, but not limited to, annual reports and interim financial reports, proxy materials, registration statements, securities prospectuses, and application for listing securities on stock exchanges; communications addressed to and relating to the account of any persons who have previously executed a contract for the acquisition of any of the subdivider's lands except where directed to the disposition of additional lands; press releases or other communications delivered to newspapers or other periodicals for general information or public relations purposes, provided no charge is made by and nothing of value is given to such newspapers, their employees or other periodicals for the publication or use of any part of such communication;

3. "Agent" means any person who, directly or indirectly, disposes of, or offers to dispose of, or advertises for disposition any lot in a subdivision and includes a real estate salesman, broker or subdivider so engaged;

4. "Blanket encumbrance" means any trust deed, mortgage, judgment, lien or other financial encumbrance securing or evidencing debt and affecting lands to be subdivided or affecting more than one lot of subdivided land, and any agreement by which the subdivider holds more than one lot under an option, contract or deed, contract to purchase or trust agreement. Blanket encumbrance shall not mean a lien or other encumbrance arising as a result of the imposition of a tax assessed by a public authority so long as no portion thereof is past due;

5. "Commission" means the Oklahoma Securities Commission;

6. "Department" means the Department of Securities;

7. "Disposition" or "dispose of" means every sale, lease, assignment, award by lottery, option, or exchange of a lot and every contract for, or contract to do, any of the foregoing for value, or when given as an incident of any of the foregoing;

~~7. "License" means a subdivided land sales license as set forth in Article III of this Code;~~

8. "Lot" means any portion, parcel, piece, division, unit or undivided interest in land if such interest includes the right to the exclusive use of a specified portion of the land;

9. "Notice" means a communication from the Administrator. Notice to a subdivider shall be deemed complete when personally served upon ~~him~~ the subdivider or mailed to ~~him~~ the subdivider at the last-known address on file with the Administrator;

10. "Offer" means any inducement, solicitation or attempt to encourage a person to acquire an interest in a lot in a subdivision;

11. "Option" means, and is limited to, an offer to sell or purchase respecting which a consideration of not more than fifteen percent (15%) of the total purchase price is exchanged to guarantee that the offer will not be withdrawn or revoked for an agreed period of time;

12. "Person" means an individual, corporation, partnership, association, joint stock company, or trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, government, political subdivision of a government or any other entity;

13. "Purchaser" means a person who acquires, attempts to acquire, is solicited to acquire, or succeeds to any interest in a lot in a subdivision, excluding a security interest;

14. "Subdivision" and "subdivided land" means any land, wherever located, whether improved or unimproved, contiguous or not, which is divided into lots or proposed to be divided for the purpose of disposition pursuant to a common promotional scheme or plan of advertising and disposition. If the land is designated or advertised as a common unit or by a common name, the land shall be presumed, without regard to the number of lots covered by each individual offering, to be offered for disposition as part of a common promotional plan. Where the context so requires, it shall also include any lot in a subdivision and any interest therein; and

15. "Subdivider" means a person whose interest in subdivided lands is advertised, offered, or disposed of by ~~himself~~ the subdivider or another person.

SECTION 2. AMENDATORY 71 O.S. 2021, Section 625, is amended to read as follows:

Section 625. Application for registration of subdivided land shall be filed with the Administrator in such form as the Administrator may require. The application shall contain the following information and shall be accompanied by the following documents and exhibits, in addition to the information which may be required by the Administrator pursuant to subsection E of Section 627 of this title, the consent to service of process required by subsection A of Section 664 of this title, and the fees required by Section 652 of this title. To the extent that the information required below is included in filings submitted to and approved by the ~~Federal Office of Interstate Land Sales Registration~~ Consumer Financial Protection Bureau, or its successors, such filing will be accepted in lieu of a separate state filing:

1. The subdivider's name and address, form of business organization, date and jurisdiction of its organization and name and address of each of its offices and agents in this state;

2. The name, address, and principal occupation for the past five (5) years of every director, officer or partner of the subdivider or other person occupying a similar position or performing similar functions, as well as for each owner of ten percent (10%) or more of the equity of the subdivider; the extent and nature of the interest of each of the foregoing persons in the subdivider and in the subdivided lands as of a date specified by the Administrator within thirty (30) days of filing of the application for registration;

3. If any person named in paragraph 2 of this section has been disciplined, debarred, censured, or suspended by any governmental body or agency or convicted by any court for violation of a federal, state, or local law or regulation in connection with activities relating to land sales, land investment, securities sales or registration, construction or sale of homes or home improvements, or

any other similar or related activity, a summary of the facts relating thereto;

4. If any person named in paragraph 2 of this section has, during the past thirteen (13) years, filed a petition in bankruptcy or has had an involuntary petition in bankruptcy filed against ~~him~~ the person, or has been an officer, director, or controlling person of a business entity which has become insolvent or has voluntarily or involuntarily filed in bankruptcy, a summary of the facts relating thereto;

5. The states or jurisdictions in which an application for registration or similar document have been filed, including a copy of any filing with the United States Securities and Exchange Commission or ~~Federal Office of Interstate Land Sales Registration~~ the Consumer Financial Protection Bureau or the successors of either, and a copy of any adverse order, judgment, order permitting withdrawal, or decree of any court or regulatory authority in connection with the offering of subdivided lands;

6. A legal description of the subdivided lands and the recorded plat thereof, together with a map showing the division proposed to be made, the dimensions of the lots, and the relation of the subdivided lands to existing streets, roads, and other off-site improvements, all verified by affidavit of an independent professional land surveyor and a topographical map;

7. A statement in a form acceptable to the Administrator of the condition of title to the land comprising the lots in this offering and any common areas or facilities related to or included in this offering, including a description of all encumbrances, easements, covenants, conditions, reservations, limitations, or restrictions applicable thereto. This requirement may be met by submission of evidence of title in the form of a legal opinion, stating the condition of title, prepared and signed by an attorney at law who is experienced in the examination of titles, a member of the Bar Association of the state in which the property is located and who is not a salaried employee, partner, officer, or director either of the subdivider or of any of its agents or affiliates; or by any other evidence of title acceptable to the Administrator;

8. Copies of the instruments by which the subdivider's interest in the subdivided land was acquired or, if required by the Administrator, proof of marketable title to the subdivided lands;

9. A statement and such additional assurance as the Administrator may require that the subdivider can convey or cause to be conveyed to the purchaser, upon compliance with the terms of the offer, the interest offered in the subdivided lands;

10. Copies of instruments which will be delivered to the purchaser to evidence ~~his~~ interest in the subdivided lands and copies of the contracts or other agreements which a purchaser will be required to agree to or sign in connection with the offer or disposition, together with the range of selling prices, rates or rentals at which it is proposed to dispose of the lots, and a list of fees the purchaser may be required to pay for membership in groups including, but not limited to, homeowners' associations, country clubs, golf courses, and other community organizations associated with the subdivision, together with the description of any qualifications for or restrictions on membership in any of the foregoing;

11. A legal description of any lien or encumbrance affecting the subdivision or any portion thereof and a statement in a form acceptable to the Administrator of the efforts made or to be made to remove such lien or encumbrance and the consequences to the purchasers of the success or failure of the efforts to remove such lien or encumbrance;

12. A summary of any easements or restrictions affecting any of the subdivided lands and copies of any instruments creating, altering, or removing such easements or restrictions;

13. Evidence and a statement thereof, in a form satisfactory to the Administrator, indicating compliance with the zoning and other governmental laws, ordinances, and regulations affecting the use of the subdivided lands and adjacent properties, together with dates of the most recent zoning or jurisdictional changes, the nature thereof, any proposed changes now pending or known to be contemplated, and any existing or proposed taxes, special taxes, assessments, or levies of a similar nature affecting any of the subdivided land;

14. Evidence and a statement thereof, in a form satisfactory to the Administrator, indicating compliance with the requirements of federal, state and local governments or agencies or instrumentalities thereof which have authority to regulate or issue permits or licenses which may have a material effect on the subdivider's plans with respect to the proposed subdivision, its facilities, common areas or improvements, specifically including environmental protection agencies and required environmental impact statements. If any permit, license, or approval of any of the foregoing has been refused or conditioned, a summary of the reasons therefor and the effect on the proposed subdivision shall also be included;

15. A description of the land as it existed prior to any changes in connection with the proposed subdivision and any changes which have occurred or are contemplated in connection with the proposed subdivision;

16. A statement, in a form suitable to the Administrator, of the existing provisions for access to the subdivision, the availability of sewage disposal facilities and other public utilities including, but not limited to, water, electricity, gas and telephone facilities, the proximity in miles of the subdivision to nearby municipalities, the availability and scope of community fire and police protection, the location of primary and secondary schools, the improvements installed or to be installed, including off-site and on-site community and recreational facilities, the persons who are to install, maintain and pay for such improvements, and the estimated schedule for completion;

17. If required by the Administrator's rule or order, a performance or completion bond to assure that planned improvements will be completed, in a form suitable to the Administrator;

18. Such financial statements of the subdivider as the Administrator may require;

19. A narrative description of the promotional plan for the disposition of the subdivided lands, together with duplicate copies of all advertising material which has been prepared for public distribution. The subject matter of advertising material which is

pictorial in nature shall be limited to a depiction of the actual on-site conditions of the subdivided lands as of the date of the filing of the material. No advertising shall be used until a copy thereof has been allowed for use by the Administrator or a person authorized by the Administrator as provided in Section 653 of this title;

20. ~~Three copies~~ One copy of the proposed public offering statement prepared in accordance with Section 626 of this title; and

21. Such additional information or exhibits as the Administrator may require.

Any of the items required under this section may be incorporated in the application for registration by reference provided that such item is contained in the public offering statement and the Administrator so allows.

SECTION 3. AMENDATORY 71 O.S. 2021, Section 626, is amended to read as follows:

Section 626. A. It shall be unlawful for a person to dispose of an interest in subdivided lands, pursuant to a registration under this Code, unless a current public offering statement is delivered to the purchaser at the expense of the subdivider or ~~his~~ the subdivider's agent at least forty-eight (48) hours prior to any sale, contract to sell or option to purchase and unless the purchaser is afforded a reasonable opportunity to examine and is permitted to retain the public offering statement. The subdivider shall obtain and retain a receipt, signed by the purchaser, acknowledging receipt of a copy of the public offering statement prior to the execution by the purchaser of any contract or agreement for the disposition of any lot in a subdivision, which receipt shall be kept in the files of the subdivider and be subject to inspection by the Administrator for a period of three (3) years from the date the receipt is taken.

B. A public offering statement shall disclose fully and accurately all material circumstances or features which affect the subdivided lands or which would be a material consideration in making the purchasing decision. The proposed public offering statement shall be submitted to the Administrator as required by

paragraph 20 of Section 625 of this Code and shall be in such form and contain such information as the Administrator by rule requires, including:

1. The name, principal address, electronic mail address, website address, and telephone number of the subdivider, ~~his~~ and the subdivider's offices and agents in this state;
2. A general description of the subdivided lands including a statement of the total number of lots to be offered;
3. A statement as to whether the subdivider holds any option to purchase adjacent properties and, if so, a description of such option and the location and zoning of the adjacent properties;
4. The assistance, if any, that the subdivider, ~~his~~ and the subdivider's agents or affiliates will provide to the purchaser in the resale of the property and the extent to which the subdivider, ~~his~~ agents, or affiliates will be in competition in the event of resale;
5. The material terms of any encumbrances, easements, liens, and restrictions including zoning and other regulations affecting the subdivided lands and each unit or lot, the efforts to remove such liens or encumbrances, the results of the success or failure thereof, and all existing taxes and existing or proposed special taxes or assessments which affect the subdivided lands;
6. The use for which the property is to be offered;
7. Information concerning existing or proposed improvements including, but not limited to, streets, water supply, levees, drainage control systems, irrigation systems, sewage disposal systems and customary utilities and the estimated cost, date of completion, and responsibility for construction and maintenance of existing and proposed improvements which are referred to in connection with the offering or disposition of any lot in subdivided lands;
8. Such financial statements of the subdivider as the Administrator may require;

9. The topographic and climatic characteristics of the subdivided lands and adjacent area;

10. A statement of the existing provisions for access of the subdivision to community fire protection, the location of primary and secondary schools, the proximity to municipalities and the population thereof, the improvements installed or to be installed, including off-site and on-site community and recreational facilities, by whom they were or are to be installed, maintained or paid for, and an estimate of completion thereof; and

11. Such additional information as may be required by the Administrator including any of the information contained in the application for registration.

C. The public offering statement shall not be used for any promotional purpose before registration of the subdivided lands and afterwards it shall be used only in its entirety. It shall be unlawful for any person to advertise or represent that the Administrator has approved or recommended the subdivided lands or a disposition thereof. No portion of the public offering statement may be underscored, italicized, or printed in larger or heavier or different colored type than the remainder of the statement unless required or approved by the Administrator.

D. The Administrator may require the subdivider or ~~his~~ the subdivider's agent to alter or amend the proposed public offering statement in order to provide full and fair disclosure to prospective purchasers.

SECTION 4. AMENDATORY 71 O.S. 2021, Section 627, is amended to read as follows:

Section 627. A. Within ninety (90) days from the date of filing a completed application for registration, the Administrator shall issue an order registering the subdivided lands or denying the application for registration. If an order of denial is not issued within ninety (90) days, the land shall be deemed registered unless the applicant has consented to a delay or the application has been withdrawn. If any amendment to the application for registration is filed prior to the time when the land shall be deemed registered,

the application shall be deemed to have been filed when the amendment was filed.

B. An application for registration may be filed by the subdivider, or any other person on whose behalf the sales are to be made, ~~or a licensed subdivided land agent,~~ but the Administrator may require that it be executed by the subdivider.

C. Any document filed under this Code within five (5) years preceding the filing of an application for registration may be incorporated by reference in the application for registration to the extent that the document is currently accurate.

D. The Administrator may by rule or otherwise permit the omission of any item of information or document from any application for registration.

E. The Administrator may, as a condition of registration and at the expense of the subdivider as specified in subsection A of Section 652 of this title, investigate any subdivision required to be registered under this Code for the purpose of verifying statements contained in the application for registration and for the protection of prospective purchasers. For the purposes of such investigation, the Administrator may:

1. Require that a report or opinion by an independent accountant, engineer, appraiser or other expert be prepared and filed;

2. Make an examination of the business and records of the applicant or subdivider;

3. Use and rely on any relevant information or data concerning a subdivision obtained by ~~him~~ the Administrator from any federal, state or local government or agency thereof;

4. Conduct an on-site inspection of each subdivision;

5. Conduct an annual on-site reinspection of each subdivision for each of the three (3) years after the expiration date of the registration or any renewal thereof;

6. Make on-site examinations or designate a representative to make such examinations. Where additional technical, expert or special services are used, the actual cost of such services may be charged directly to and shall be paid by the ~~person~~ subdivider being examined; and

7. Where an on-site inspection of any subdivision has been made under this Code, an inspection of adjacent subdivided lands for which a subsequent application for registration is filed may be waived and an inspection thereof may be made at the time of the next succeeding on-site inspection.

F. The Administrator may require that any subdivided lands be sold by use of a specified form contract or agreement, and that a signed copy or conformed copy of such signed copy be filed with ~~him~~ the Administrator or preserved by the subdivider for a period of up to five (5) years.

G. The Administrator may by rule or otherwise impose other conditions under which subdivided lands registered under this Code may be sold, provided such conditions are reasonable and in the public interest. The Administrator may require an escrow, trust or similar arrangement to reasonably assure that all improvements referred to in the application for registration will be completed and that purchasers will receive the interests in land for which they have contracted.

H. A registration is effective for one (1) year from its effective date, or for such longer period as the Administrator may permit by rule or order. No application for registration or effective registration may be withdrawn at any time after its filing unless permitted by rule or order of the Administrator. No registration is effective during the time a stop order is in effect under Section 628 of this title.

I. During the effective period of a registration, the Administrator may by rule or order require the person who filed the application for registration to file reports, not more often than quarterly, to keep reasonably current the information contained in the application for registration and to disclose the progress of the sales. If any of the lands registered have been sold in this state, the Administrator may by rule or order extend the period for filing

the reports for an additional period not exceeding two (2) years from the date the registration became effective or the date of the registration period's latest extension.

J. The subdivider or registrant shall immediately report to the Administrator any material changes in the information contained in the application for registration.

K. Upon the expiration of an effective registration, the Administrator may renew the registration for an additional period of one (1) year, provided the registrant is in compliance with this Code, files such reports and applications as the Administrator may require, and pays an annual renewal fee as required by Section 652 of this title, which fee shall not exceed the original registration fee.

SECTION 5. AMENDATORY 71 O.S. 2021, Section 628, is amended to read as follows:

Section 628. A. The Administrator may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration if he or she finds that the order is in the public interest and that:

1. The registration statement as of its effective date or any report under subsections I or J of Section 627 of this Code is incomplete in any material respect or contains any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

2. Any provision of this Code or any rule, order, or condition lawfully imposed under this Code has been willfully violated in connection with the offer or disposition of subdivided lands by the person filing the registration statement, by the subdivider, any partner, officer or director of the subdivider, by any person occupying a similar status or performing similar functions, by any person directly or indirectly controlling or controlled by the subdivider, or by any subdivided land sales agent or other person involved directly or indirectly in the offer or disposition of subdivided lands;

3. The subdivided lands are the subject of an administrative stop order or similar order or a permanent or temporary injunction of any court of competent jurisdiction entered under any federal or state act applicable to the offer or disposition of the subdivided lands. Provided, ~~that~~ however, the Administrator may not institute a proceeding against an effective registration statement under this paragraph more than one (1) year from the date of the order or injunction relied on, and he or she may not enter an order under this paragraph on the basis of an order or injunction entered under any other state or federal act unless that order or injunction was based on facts which would currently constitute a ground for a stop order under this section;

4. The subdivider's enterprise or method of business includes or would include activities which are illegal where performed;

5. The offer or disposition of the subdivided lands is or would be unfair or inequitable to purchasers or has worked, tended to work, or would work a fraud upon purchasers;

6. The disposition has been made or would be made with unreasonable commissions or other unreasonable compensation;

7. The applicant or registrant has failed to pay the proper filing fee. Provided, ~~that~~ however, the ~~Commissioner~~ Administrator may enter only a denial order under this paragraph and he or she shall vacate any such order when the deficiency has been corrected;

8. Advertising prohibited by Section 653 of this Code has been used in connection with the offer or disposition of the subdivided lands;

9. The financial condition of the subdivider or of any other person connected with the offer or disposition of subdivided lands adversely affects or would adversely affect the soundness of the land purchase; or

10. The subdivider is not in compliance with federal, state, or local environmental quality standards.

B. The Administrator may not institute a stop order proceeding against an effective registration statement on the basis of a fact

or transaction known to ~~him~~ the Administrator when the registration statement became effective unless the proceeding is instituted within sixty (60) days.

C. In a proceeding for registration, within sixty (60) days of the effective date of such registration statement, the applicant or registrant has the burden of satisfying the requirements of subsection A of this section.

D. The Administrator may issue a summary order denying, postponing, suspending, or revoking the effectiveness of the registration statement pending final determination of any proceeding under this section. Upon the entry of the order, the Administrator shall promptly notify each person specified in subsection E of this section that the order has been entered, the reasons for the entry of order, and that each such person has a right to request a hearing under subsection A of Section 661 of this Code. If no hearing is requested and none is ordered by the Administrator, the order will remain in effect until it is modified or vacated by the Administrator.

E. No stop order may be entered under this section except under subsection D of this section unless there has been appropriate prior notice to the applicant or registrant, to the subdivider and to the person on whose behalf the lands are to be or have been offered, an opportunity for hearings and the making of written findings of fact and conclusions of law.

F. The Administrator may vacate or modify a stop order if he finds that the conditions which prompted the stop order's entry have changed or that it is otherwise in the public interest to do so.

SECTION 6. AMENDATORY 71 O.S. 2021, Section 631, is amended to read as follows:

Section 631. ~~A.~~ It is unlawful for any person to transact business in this state as an agent unless he the person has obtained a real estate broker's or real estate sales associate's license from his this state of residence, if required, and has obtained a license under this Code to offer or dispose of subdivided lands, provided that the provisions of this section shall not apply to a person whose dealings relate solely to property exempt under Section 622 of

this title or to transactions exempt under Section 623 of this title.

~~B. Every license expires on the thirtieth day of June following the date of issuance. It may be renewed under such rules as the Administrator may establish.~~

~~C. Any license may be suspended, revoked or denied as provided in Section 634 of this title.~~

~~D. The Administrator may, by rule or order, exempt from the requirements of this section persons as to whom he finds licensing under this Code is not necessary for the protection of purchasers.~~

SECTION 7. AMENDATORY 71 O.S. 2021, Section 633, is amended to read as follows:

Section 633. A. Agents shall make and keep all accounts, correspondence, memoranda, papers, books and other records as the Administrator by rule requires and shall keep them for at least six (6) years, and for the first three (3) years in a readily accessible location, unless the Administrator by rule prescribes otherwise. The Administrator may require that copies of any such records be provided by the agent to the subdivider for retention and inspection by the Administrator under such rules as ~~he~~ the Administrator may prescribe. All required records shall be made available to the Administrator upon request for ~~his~~ inspection at his or her office or such other place as he or she may require. The Administrator may accept copies of records at his or her discretion.

~~B. Every agent shall file such reports as the Administrator by rule prescribes.~~

~~C. If the information contained in any application for a license or other document filed with the Administrator is or becomes inaccurate or incomplete in any material respect, the licensee shall file a corrective amendment within ten (10) days.~~

~~D. The Administrator may make periodic examinations, within or without this state, of the business and records of each licensed agent at such times and in such scope as he determines. The examinations may be made without prior notice. The Administrator~~

~~shall charge all expenses incurred in such examination to the licensed agent whose business is being examined in the amount as provided in Section 652 of this title. For the purpose of avoiding unnecessary duplication of examinations, the Administrator, insofar as he deems practicable, may cooperate with other regulatory agencies. The Administrator may not be compelled to make public the information obtained in the course of the examinations except when his duty under this Code requires him to take action regarding an agent or to make information available to other regulatory agencies, or when the Administrator is called as a witness in any criminal proceeding.~~

~~E.~~ The Administrator may prescribe rules for the conduct of business by agents as he or she finds appropriate in the public interest for the protection of purchasers.

SECTION 8. AMENDATORY 71 O.S. 2021, Section 642, is amended to read as follows:

Section 642. No ~~agent~~ person may offer or dispose of lots within a subdivision required to be registered under this Code which is subject to a blanket encumbrance, option or contract for deed unless such offer or disposition is in compliance with such rules as may be prescribed by the Administrator for the protection of purchasers.

SECTION 9. AMENDATORY 71 O.S. 2021, Section 652, is amended to read as follows:

Section 652. A. Unless otherwise provided by law, the following are the fees that shall be charged by the Administrator pursuant to the Oklahoma Subdivided Land Sales Code. No additional fees shall be assessed or charged pursuant to rule or regulation of the Administrator. Once paid, such fees shall be nonrefundable.

- ~~1. Agent License registration fee or renewal fee...\$30.00~~
- ~~2. Agent License examination fee.....\$30.00~~
- ~~3. Filing fee for advertising or promotional materials \$10.00~~
- ~~4. 2. Exemption notification filing fee.....\$250.00~~

~~5.~~ 3. Interpretive opinion or no-action request...\$250.00

~~6.~~ 4. Affidavit request.....\$10.00

~~7.~~ 5. Service of process upon the Administrator....\$10.00

~~8.~~ 6. Copying fee:

a. 8 1/2" by 14" or smaller \$.25 per page

b. Larger than 8 1/2" by 14" \$1.00 per page

c. Certified copy 8 1/2" by 14" or smaller \$1.00 per page

d. Certified copy larger than 8 1/2" by 14" \$2.00 per page

~~9.~~ 7. Document search fee for commercial purpose...\$20.00 per hour

~~10.~~ 8. Initial application for registration of subdivided land pursuant to Section 625 of this title:

a. Examination fee \$250.00

b. Registration fee \$1.00 per lot

~~11.~~ 9. Renewal application for registration of subdivided land pursuant to Section 627 of this title:

a. Examination fee \$250.00

b. Registration fee \$1.00 per

lot not previously registered pursuant to the Initial Application or prior Renewal Application filed pursuant to this Code.

~~12.~~ 10. Charges for an on-site examination of a subdivision conducted pursuant to Section 627 of this title ~~or of a licensed agent pursuant to Section 633 of this title,~~ shall be billed to the ~~person~~ subdivider being examined at a rate of \$25.00 per hour per employee for the time spent by each Department employee in traveling to and from the examination site, conducting the examination, and preparing the examination report. In addition, the Department shall be reimbursed for all actual expenses incurred in conducting such examinations, including travel expenses, per diem, lodging, and other related expenses of Department employees conducting the examination, the cost of supplies, materials, photocopying, long distance telephone calls, and postage; and costs of technical, expert or special services required in connection with such examination.

B. All fees and other charges collected by the Administrator pursuant to this section shall be deposited in the General Revenue Fund except for the following fees and charges which shall be deposited in the Oklahoma Department of Securities ~~Commission~~ Revolving Fund established pursuant to Section ~~412~~ 1-612 of this title:

1. The fees collected pursuant to paragraphs ~~5, 6, 7, 8 and 9~~ 3, 4, 5, 6, and 7 of subsection A of this section;

2. The fees collected pursuant to the provisions of ~~Sections~~ Section 627 ~~and 633~~ of this title as provided in paragraph ~~12~~ 10 of subsection A of this section; and

3. The examination fees collected pursuant to subparagraph a of paragraph ~~10~~ 8 and subparagraph a of paragraph ~~11~~ 9 of subsection A of this section.

SECTION 10. AMENDATORY 71 O.S. 2021, Section 655, is amended to read as follows:

Section 655. Neither the fact that a registration statement ~~or an application for a license~~ has been filed nor the fact that any subdivided lands are registered ~~or that any person is licensed~~ constitutes a finding by the Administrator that any document filed under this Code is true, complete, and not misleading. Neither any

such fact nor the fact that an exemption or exclusion is available for ~~an agent~~, subdivided land, or a transaction means that the Administrator has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, subdivided land or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, any representation inconsistent with the foregoing.

SECTION 11. AMENDATORY 71 O.S. 2021, Section 660, is amended to read as follows:

Section 660. If the Administrator has reason to believe that any offer or disposition of subdivided land required to be registered under this Code is or would be fraudulent to purchasers, ~~he~~ the Administrator may by order summarily prohibit further offers or dispositions in this state of such land until it is registered under this Code. If the Administrator has reason to believe that any subdivided land is being offered or disposed of in this state by any ~~unlicensed~~ person in violation of this Code or any rule or order hereunder, ~~he~~ or she may by order summarily prohibit such person from further offers or dispositions in this state of such subdivided lands until ~~he~~ the person is licensed as required under this Code.

SECTION 12. AMENDATORY 71 O.S. 2021, Section 662, is amended to read as follows:

Section 662. A. The Administrator may make, amend, and rescind any rules, forms and orders that are necessary to carry out this Code, including rules and forms governing applications for registration ~~or licensing~~, reports and defining any terms, whether or not used in this Code, insofar as the definitions are not inconsistent with this Code. For the purpose of rules and forms, the Administrator may classify subdivided lands, persons, and matters within his or her jurisdiction, and prescribe different requirements for different classes.

B. No rule, form, or order may be made, amended, or rescinded unless the Administrator finds that the action is necessary or appropriate in the public interest and for the protection of purchasers. In prescribing rules and forms, the Administrator may cooperate with regulatory agencies of other units of government with a view to achieving maximum uniformity in the form and content of

registration statements, applications, and reports wherever practicable.

C. The Administrator may by rule or order prescribe the form and content of financial statements required under this Code, the circumstances under which consolidated financial statements shall be filed, and whether any required financial statements shall be certified by independent or certified public accountants. All financial statements shall be prepared in accordance with generally accepted accounting practices unless otherwise permitted by rule or order.

D. No provision of this Code imposing any liability applies to any act done or omitted in good faith and conformity with any rule, form, or order of the Administrator, notwithstanding that the rule, form, or order may later be amended or rescinded or be determined to be invalid for any reason.

E. All rules and forms of the Administrator shall be published.

SECTION 13. AMENDATORY 71 O.S. 2021, Section 663, is amended to read as follows:

Section 663. A. A document is filed when it is received by the Administrator.

B. The Administrator shall keep a ~~register~~ record of all licenses and registration statements which are or have ever been effective under this Code and all denial, suspension, or revocation orders which have been entered under this Code. The ~~register~~ record shall be open for public inspection.

C. The information contained in or filed with any application for registration, ~~licensing~~ or report shall be made available to the public in accordance with rules prescribed by the Administrator.

D. Subject to the provisions of subsection D of Section 633 of this Code, the Administrator upon request shall furnish to any person at a reasonable charge ~~photostatic or other~~ copies, certified under ~~his~~ the seal of office of the Administrator, if certification is requested, of any entry in the ~~register~~ record or any order on

file in ~~his~~ the office of the Administrator. Any copy so certified is admissible in evidence in trials and other proceedings.

E. The Administrator may honor requests from interested persons for interpretative opinions.

SECTION 14. AMENDATORY 71 O.S. 2021, Section 664, is amended to read as follows:

Section 664. A. Every applicant for ~~a license or~~ registration under this Code shall file with the Administrator, in such form as ~~he~~ prescribed by rule ~~prescribes~~, an irrevocable consent appointing the Administrator or ~~his~~ successor in office to be his or her attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against ~~him~~ the applicant or his or her successor, executor, or administrator which arises under this Code or any rule or order issued hereunder after the consent has been filed, with the same validity as if served personally on the person filing the consent. The consent need not be filed by a person who has filed a consent in connection with a previous registration ~~or license~~ which is then in effect. Service may be made by leaving a copy of the process in the office of the Administrator, but is not effective unless the plaintiff, who may be the Administrator in the suit, action, or proceeding instituted by him or her, promptly sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at ~~his~~ the last address on file with the Administrator, and the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return of the process, or within such time as the court allows.

B. When any person, including any nonresident in this state, engages in conduct prohibited or made actionable by this Code or any rule or order hereunder, and ~~he~~ has not filed a consent to service of process under subsection A of this section and personal jurisdiction over ~~him~~ the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to ~~his~~ appointment of the Administrator to be ~~his~~ the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against ~~him~~ the person or his or her successor, executor, or administrator which arises out of that conduct and which is brought under this Code or any rule or order

hereunder~~7~~ with the same validity as if served on ~~him~~ the person personally. Service may be made by leaving a copy of the process in the office of the Administrator, but it is not effective unless the plaintiff, who may be the Administrator in a suit, action, or proceeding instituted by ~~him~~ the Administrator, promptly sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at ~~his~~ the last-known address or takes other steps which are reasonably calculated to give actual notice~~7~~ and the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process or within such time as the court allows.

C. When process is served under this section, the court or the Administrator in a proceeding before ~~him~~ the Administrator, shall order such continuance as is necessary to afford the defendant or respondent reasonable opportunity to defend.

SECTION 15. REPEALER 71 O.S. 2021, Sections 632 and 634, are hereby repealed.

SECTION 16. This act shall become effective November 1, 2022.

Passed the Senate the 7th day of March, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of April, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____