## STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3095 By: Tedford

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AS INTRODUCED

An Act relating to landlord and tenant; providing for preemption; authorizing certain late fees; authorizing certain fees for complaint filing, court appearances and second trials; providing limitations on charging and collecting certain fees; providing for the collection of certain out-of-pocket expenses; prohibiting retaliation by a landlord; providing retaliatory actions; provides when an act is not retaliatory; provides remedies for landlord retaliation; providing remedies for landlord when tenant makes invalid retaliation complaint; providing that relation by a landlord is a defense for eviction in certain circumstances; amending 41 O.S. 2021, Section 131, which relates to delinquent rent; providing for the inclusion of late charges; providing for the validity of certain late penalties in a lease; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 137 of Title 41, unless there is created a duplication in numbering, reads as follows:

The regulation of residential tenancies, the landlord-tenant relationship, and all other matters covered under this title are preempted to the state. This title supersedes any local government

regulations on matters covered under this title, including, but not
limited to, the screening process used by a landlord in approving
tenancies; security deposits; rental agreement applications and fees
associated with such applications; terms and conditions of rental
agreements; the rights and responsibilities of the landlord and
tenant; disclosures concerning the premises; the dwelling unit; the
rental agreement; or the rights and responsibilities of the landlord
and tenant; fees charged by the landlord; or notice requirement.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 138 of Title 41, unless there is created a duplication in numbering, reads as follows:

- A. In all residential rental agreements in which a definite time for the payment of the rent is fixed, the parties may agree to a late fee not inconsistent with the provisions of this subsection, to be chargeable only if any rental payment is five days or more late. If the rent:
- 1. Is due in monthly installments, a landlord may charge a late fee not to exceed Fifteen Dollars (\$15.00) or five percent (5%) of the monthly rent, whichever is greater; or
- 2. Is due in weekly installments, a landlord may charge a late fee not to exceed Four Dollars (\$4.00) or five percent (5%) of the weekly rent, whichever is greater.
- B. A late fee under subsection A of this section may be imposed only one time for each late rental payment. A late fee for a

specific late rental payment may not be deducted from a subsequent rental payment so as to cause the subsequent rental payment to be in default.

- C. Pursuant to a written lease, a landlord may charge a complaint filing fee not to exceed Fifteen Dollars (\$15.00) or five percent (5%) of the monthly rent, whichever is greater, only if the tenant was in default of the lease, if the landlord filed and served a complaint for summary ejectment and/or money owed, if the tenant cured the default or claim, or if the landlord dismissed the complaint prior to judgment. The landlord can include this fee in the amount required to cure the default.
- D. Pursuant to a written lease, a landlord may charge a court appearance fee in an amount equal to ten percent (10%) of the monthly rent, only if the tenant was in default of the lease and the landlord filed, served, and prosecuted successfully an action for forcible entry and detainer and/or unpaid rent. If the tenant appeals the judgment and the judgment is vacated, any fee awarded to the landlord under this subsection shall be vacated.
- E. Pursuant to a written lease, a landlord may charge a second trial fee for a new trial following an appeal from a judgment. To qualify for the fee, the landlord must prove that the tenant was in default of the lease and the landlord prevailed. The landlord's fee may not exceed twelve percent (12%) of the monthly rent in the lease.

Limitations on Charging and Collection of Fee:

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- A landlord who claims fees under subsections C, D, and E of this section is entitled to charge and retain only one of the above fees for the landlord's action for forcible entry and detainer and/or unpaid rent;
- 2. A landlord who earns a fee under subsections C, D, and E of this section may not deduct payment of that fee from a tenant's subsequent rent payment or declare a failure to pay the fee as a default of the lease for a subsequent forcible entry and detainer action;
- It is contrary to public policy for a landlord to put in a lease or claim any fee for filing an action for forcible entry and detainer and/or unpaid rent other than the ones expressly authorized by subsections C, D, E, and G of this section, and a reasonable attorney fee as allowed by law;
- Any provision of a rental agreement contrary to the provisions of this section is against the public policy of this state and therefore void and unenforceable;
- If the rent is subsidized by the United States Department of Housing and Urban Development, by the United States Department of Agriculture, by a state agency, by a public housing authority, or by a local government, any fee charged pursuant to this section shall be calculated on the tenant's share of the contract rent only and the rent subsidy shall not be included.

- G. In addition to the late fees referenced in subsections A and B of this section and the administrative fees of a landlord referenced in subsections C, D, and E of this section, a landlord is also permitted to charge and recover from a tenant the following actual out-of-pocket expenses:
  - 1. Filing fees charged by the court;
  - 2. Costs for service of process; and
- 3. Reasonable attorney fees actually incurred pursuant to a written lease, not to exceed fifteen percent (15%) of the amount owed by the tenant or fifteen percent (15%) of the monthly rent stated in the lease if the eviction is based on a default other than the nonpayment of rent.
- H. The out-of-pocket expenses listed in subsection G of this section are allowed to be included by the landlord in the amount required to cure a default.
- SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 139 of Title 41, unless there is created a duplication in numbering, reads as follows:
- A. A landlord may not retaliate against a tenant by taking an action described by subsection B because the tenant:
- 1. In good faith exercises or attempts to exercise against a landlord a right or remedy granted to the tenant by lease, municipal ordinance, or federal or state statute;

2. Gives a landlord a notice to repair or exercise a remedy under Title 41 of the Oklahoma Statutes;

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3. Complains to a governmental entity responsible for enforcing building or housing codes, a public utility, or a civic or nonprofit agency, and the tenant:

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a. claims a building or housing code violation or utility problem, and

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b. believes in good faith that the complaint is valid and that the violation or problem occurred; or

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4. Establishes, attempts to establish, or participates in a tenant organization.

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B. A landlord may not, within six (6) months after the date of the tenant's action under subsection A of this section, retaliate against the tenant by:

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 Filing an eviction proceeding, except for legitimate reasons authorized by law;

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2. Depriving the tenant of the use of the premises, except for reasons authorized by law;

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Decreasing services to the tenant;

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4. Increasing the tenant's rent or terminating the tenant's lease; or

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5. Engaging, in bad faith, in a course of conduct that materially interferes with the tenant's rights under the tenant's lease.

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- The landlord is not liable for retaliation under this section if the landlord proves that the action was not made for purposes of retaliation, nor is the landlord liable, unless the action violates a prior court order for:
- Increasing rent under an escalation clause in a written lease for utilities, taxes, or insurance; or
- Increasing rent or reducing services as part of a pattern of rent increases or service reductions for an entire multi-dwelling project.
- D. An eviction or lease termination based on the following circumstances, which are valid grounds for eviction or lease termination in any event, does not constitute retaliation:
- The tenant is delinquent in rent when the landlord gives notice to vacate or files an eviction action;
- The tenant, a member of the tenant's family, or a guest or invitee of the tenant intentionally damages property on the premises or by word or conduct threatens the personal safety of the landlord, the landlord's employees, or another tenant;
- 3. The tenant has materially breached the lease, other than by holding over, by an action such as violating written lease provisions prohibiting serious misconduct or criminal acts, except as provided by this section;
- The tenant holds over after giving notice of termination or intent to vacate;

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- The tenant holds over after the landlord gives notice of termination at the end of the rental term and the tenant does not take action until after the landlord gives notice of termination;
- The tenant holds over and the landlord's notice of 6. termination is motivated by a good faith belief that the tenant, a member of the tenant's family, or a guest or invitee of the tenant might:
  - adversely affect the quiet enjoyment by other tenants a. or neighbors,
  - materially affect the health or safety of the b. landlord, other tenants, or neighbors, or
  - damage the property of the landlord, other tenants, or C. neighbors.
- A new section of law to be codified SECTION 4. NEW LAW in the Oklahoma Statutes as Section 140 of Title 41, unless there is created a duplication in numbering, reads as follows:

In addition to other remedies provided by law, if a landlord retaliates against a tenant under this act, the tenant may recover from the landlord a civil penalty of one month's rent plus Five Hundred Dollars (\$500.00), actual damages, court costs, and reasonable attorney's fees in an action for recovery of property damages, moving costs, actual expenses, civil penalties, or declaratory or injunctive relief, less any delinquent rents or other

sums for which the tenant is liable to the landlord. If the tenant's rent payment to the landlord is subsidized in whole or in part by a governmental entity, the civil penalty granted under this section shall reflect the fair market rent of the dwelling plus Five Hundred Dollars (\$500.00).

- SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 141 of Title 41, unless there is created a duplication in numbering, reads as follows:
- A. If a tenant files or prosecutes a suit for retaliatory action based on a complaint asserted under Section 3 of this act and the government building or housing inspector or utility company representative visits the premises and determines in writing that a violation of a building or housing code does not exist or that a utility problem does not exist, there is a rebuttable presumption that the tenant acted in bad faith.
- B. If a tenant files or prosecutes a suit under this act in bad faith, the landlord may recover possession of the dwelling unit and may recover from the tenant a civil penalty of one month's rent plus Five Hundred Dollars (\$500.00), court costs, and reasonable attorney fees. If the tenant's rent payment to the landlord is subsidized in whole or in part by a governmental entity, the civil penalty granted under this section shall reflect the fair market rent of the dwelling plus Five Hundred Dollars (\$500.00).

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 142 of Title 41, unless there is created a duplication in numbering, reads as follows:

In an eviction suit, retaliation by the landlord under Section 3 of this act is a defense and a rent deduction lawfully made by the tenant under this act is a defense for nonpayment of the rent to the extent allowed by this title. Other judicial actions under this title may not be joined with an eviction suit or asserted as a defense or cross-claim in an eviction suit.

SECTION 7. AMENDATORY 41 O.S. 2021, Section 131, is amended to read as follows:

Section 131. A. If rent is unpaid when due <u>and any late</u> charges are unpaid when due, the landlord may bring an action for recovery of the rent <u>and any late charge</u> at any time thereafter or the landlord may wait until the expiration of the period allowed for curing a default by the tenant, as prescribed in subsection  $\frac{1}{2}$  C of this section, before bringing such action.

B. A provision in a residential lease, providing for the payment of an amount which shall be presumed to be the amount of damages sustained by the landlord for the late payment of rent shall be held valid with no penalty, when such monthly amount does not exceed twelve percent (12%) of the monthly amount of rent. In the event such monthly amount of rent exceeds twelve percent (12%), such provision shall be held invalid and subject to penalty unless the

party seeking to uphold the provision establishes that such amount is reasonable. C. A landlord may terminate a rental agreement for failure to pay rent when due, if the tenant fails to pay the rent within five (5) days after written notice of landlord's demand for payment. The notice may be given before or after the landlord files any action authorized by subsection A of this section. Demand for past due rent and any late charge is deemed a demand for possession of the premises and no further notice to quit possession need be given by the landlord to the tenant for any purpose. SECTION 8. This act shall become effective November 1, 2024. 01/08/24 59-2-9058 JL