

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3591 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Mark Lepak \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

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

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 3591

By: Lepak

7  
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to revenue and taxation; amending 68  
10 O.S. 2021, Section 2887, as amended by Section 1,  
11 Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025, Section  
12 2887), which relates to property exempt from ad  
13 valorem taxation; modifying exempt treatment for  
14 charitable institutions; removing requirement that no  
15 part of the charitable institution's income inures to  
16 the benefit of any private stockholder; and providing  
17 an effective date.

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

19 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2887, as  
20 amended by Section 1, Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025,  
21 Section 2887), is amended to read as follows:

22 Section 2887. The following property shall be exempt from ad  
23 valorem taxation:  
24

1       1. All property of the United States, and such property as may  
2 be exempt by reason of treaty stipulations existing at statehood  
3 between the Indians and the United States government, or by reason  
4 of federal laws in effect at statehood, during the time such  
5 treaties or federal laws are in force and effect. In instances  
6 where a federal agency has obtained title to property through  
7 foreclosure, voluntary or involuntary liquidation or bankruptcy,  
8 which was previously subject to ad valorem taxation, the property  
9 may continue to be assessed for ad valorem taxes if such federal  
10 agency has agreed to pay such taxes;

11       2. All property of this state, and of the counties, school  
12 districts, and municipalities of this state, including property  
13 acquired for the use of such entities pursuant to the terms of a  
14 lease-purchase agreement which provides for the passage of title or  
15 the release of security interest, if applicable, upon payment of all  
16 rental payments and an additional nominal amount;

17       3. All property of any college or school, provided such  
18 property is devoted exclusively and directly to the appropriate  
19 objects of such college or school within this state and all property  
20 used exclusively for nonprofit schools and colleges;

21       4. The books, papers, furniture and scientific or other  
22 apparatus pertaining to any institution, college or society referred  
23 to in paragraph 3 of this section, and devoted exclusively and  
24 directly for the purpose above contemplated, and the like property

1 of students in any such institution or college, while such property  
2 is used for the purpose of their education;

3 5. All fraternal orphan homes and other orphan homes;

4 6. All property used for free public libraries, free museums,  
5 public cemeteries, or free public schools;

6 7. All property used exclusively and directly for fraternal or  
7 religious purposes within this state. For purposes of this  
8 paragraph, an exemption based on religious purposes includes real  
9 property owned by a church which allows its premises to be used by  
10 an entity if such entity is not required to make rental payments to  
11 the church, is not required to execute a formal lease agreement with  
12 respect to its occupancy of the church premises and conducts  
13 instruction of children from any or all grades for ages preschool  
14 through twelfth grade, including religious instruction consistent  
15 with the doctrines of the church the premises of which are being  
16 used for that purpose. For purposes of this paragraph, a  
17 requirement by a church to be reimbursed by the entity for utility  
18 expenses, janitorial services or similar expenses shall not be a  
19 basis upon which to remove or deny the exempt status of church  
20 property. Exempt status of church property shall not be removed nor  
21 shall church property be allocated between taxable and exempt status  
22 based on the use of church premises by an entity as described by  
23 this paragraph.

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1 For purposes of administering the exemption authorized by this  
2 section and in order to determine whether a single family  
3 residential property is used exclusively and directly for fraternal  
4 or religious purposes, the fair cash value of a single family  
5 residential property, for which an exemption is claimed as  
6 authorized by this subsection, in excess of Five Hundred Thousand  
7 Dollars (\$500,000.00) for the applicable assessment year shall not  
8 be exempt from taxation;

9 8. All property of any charitable institution organized or  
10 chartered under the laws of this state as a nonprofit or charitable  
11 institution, provided the net income from such property is used  
12 exclusively within this state for charitable purposes ~~and no part of~~  
13 ~~such income inures to the benefit of any private stockholder,~~  
14 including property which is not leased or rented to any person other  
15 than a governmental body, a charitable institution or a member of  
16 the general public who is authorized to be a tenant in property  
17 owned by a charitable institution under Section 501(c)(3) of the  
18 Internal Revenue Code and which includes but is not limited to an  
19 institution that either:

20 a. additionally satisfies the income standards set forth  
21 in Internal Revenue Service Revenue Procedure 96-32,  
22 which may be audited by the county assessor of the  
23 applicable county, in addition to other requirements  
24

1 of this subparagraph, as a condition of obtaining and  
2 maintaining the exemption, if:

3 (1) the property provides residential rental  
4 accommodations regardless of whether services or  
5 meals are provided, and

6 (2) the property:

7 (a) is occupied as of the applicable January 1  
8 assessment date if the structure is a  
9 single-family dwelling, or

10 (b) has an average seventy-five percent (75%)  
11 occupancy rate, based upon the total number  
12 of units suitable for occupancy, during the  
13 calendar year preceding the applicable  
14 January 1 assessment date if the property  
15 contains multiple structures suitable for  
16 multi-family housing. The owner of any  
17 property subject to the occupancy  
18 requirements prescribed herein shall submit  
19 a report to the county assessor of the  
20 county in which the property is located no  
21 later than December 15 each year regarding  
22 the occupancy rate for the preceding eleven  
23 (11) months. If the report indicates that  
24 the average occupancy rate was less than

1                   seventy-five percent (75%), the county  
2                   assessor shall determine the taxable value  
3                   of the property for the succeeding  
4                   assessment year and the property shall not  
5                   be exempt for any subsequent assessment year  
6                   unless the average occupancy rate is at  
7                   least seventy-five percent (75%) during the  
8                   succeeding eleven-month period. Except as  
9                   provided in Section 178.6 of Title 60 of the  
10                  Oklahoma Statutes, no asset consisting of a  
11                  single-family or multi-family dwelling unit  
12                  owned by an entity the property of which  
13                  would otherwise be exempt pursuant to  
14                  subparagraph a of this paragraph shall be  
15                  exempt from ad valorem taxation if any such  
16                  dwelling unit was improved with or acquired  
17                  with any portion of proceeds from the sale  
18                  of obligations issued by any entity  
19                  organized pursuant to Section 176 of Title  
20                  60 of the Oklahoma Statutes if the interest  
21                  income derived from such obligations is  
22                  exempt from federal income tax, or

23                  b.     (1)   for a facility constructed prior to January 1,  
24                                2006, is a continuum of care retirement community

1 providing housing for the aged, licensed under  
2 Oklahoma law, owned by a nonprofit entity  
3 recognized by the Internal Revenue Service as a  
4 Section 501(c)(3) tax-exempt entity and located  
5 in a county with a population of more than five  
6 hundred thousand (500,000) according to the  
7 latest Federal Decennial Census, and

8 (2) (a) for a facility in which construction was  
9 completed on or after January 1, 2006, is:

10 i. a continuum of care retirement  
11 community providing housing for the  
12 aged, licensed under Oklahoma law,

13 ii. owned by a nonprofit entity recognized  
14 by the Internal Revenue Service as a  
15 Section 501(c)(3) tax-exempt entity,  
16 and

17 iii. located in any county of the state  
18 regardless of population, or

19 (b) for a facility other than a facility  
20 described by division (1) of subparagraph b  
21 of this paragraph and which is partially or  
22 fully constructed prior to January 1, 2006,  
23 is:  
24

- i. owned and occupied on or after January 1, 2006, by an entity that operates a continuum of care retirement community providing housing for the aged, licensed under Oklahoma law,
- ii. owned by a nonprofit entity recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt entity, and
- iii. is located in any county of the state regardless of population;

9. All property used exclusively and directly for charitable purposes within this state, provided the charity using said property does not pay any rent or remuneration to the owner thereof unless the owner is a charitable institution described in Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), or a veterans' organization described in Section 501(c)(19) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(19);

10. All property of any hospital established, organized and operated by any person, partnership, association, organization, trust, or corporation, as a nonprofit and charitable hospital, provided the property and net income from such hospital are used directly, solely, and exclusively within this state for charitable purposes and that no part of such income shall inure to the benefit

1 of any individual, person, partner, shareholder, or stockholder, and  
2 provided further that such hospital facilities shall be open to the  
3 public without discrimination as to race, color or creed and  
4 regardless of ability to pay, and that such hospital is licensed and  
5 otherwise complies with the laws of this state relating to the  
6 licensing and regulation of hospitals;

7 11. All libraries and office equipment of ministers of the  
8 Gospel actively engaged in ministerial work in the State of  
9 Oklahoma, where said libraries and office equipment are being used  
10 by said ministers in their ministerial work, shall be deemed to be  
11 used exclusively for religious purposes and are declared to be  
12 within the meaning of the term "religious purposes" as used in  
13 Article X, Section 6 of the Constitution of the State of Oklahoma;

14 12. Household goods, tools, implements and livestock of every  
15 person maintaining a home, not exceeding One Hundred Dollars  
16 (\$100.00) in value or One Thousand Dollars (\$1,000.00) in value if  
17 Article X, Section 6 of the Oklahoma Constitution provides for an  
18 exemption in such amount; and in addition thereto, there shall be  
19 exempt from taxation on personal property the further sum of Two  
20 Hundred Dollars (\$200.00) to all enlisted and commissioned  
21 personnel, whether on active duty or honorably discharged, who  
22 served in the Armed Forces of the United States during:

23 a. the Spanish-American War,  
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1           b.    the period beginning on April 6, 1917, and ending on  
2                    July 2, 1921,

3           c.    the period beginning on December 6, 1941, and ending  
4                    on such date as the state of national emergency as  
5                    declared by the President of the United States shall  
6                    cease to exist, or

7           d.    any other or future period during which a state of  
8                    national emergency shall have been or shall be  
9                    declared to exist by the Congress or the President of  
10                  the United States.

11           All surviving spouses made so by the death of such enlisted or  
12           commissioned personnel, who are bona fide residents of this state,  
13           shall be entitled to the above additional exemption provided in this  
14           paragraph;

15           13.   Family portraits;

16           14.   All food and fuel provided in kind for the use of the  
17           family not to exceed provisions for one (1) year's time, and all  
18           grain and forage necessary to maintain for one (1) year the  
19           livestock used to provide food for the family. No person from whom  
20           pay is received or expected for board shall be considered a member  
21           of the family within the intent and meaning of this paragraph;

22           15.   All growing crops; and

23           16.   All game animals, fowl and reptile, which are not being  
24           grown for food or sale and which are kept exclusively for

1 propagation or exhibition, in private grounds or public parks in  
2 this state.

3 SECTION 2. This act shall become effective January 1, 2027.

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5 60-2-16148 AO 02/05/26

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