

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3572

By: Wolfley

7 AS INTRODUCED

8 An Act relating to revenue and taxation; amending 68
9 O.S. 2021, Section 2887, as amended by Section 1,
10 Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025, Section
11 2887), which relates to property exempt from ad
12 valorem taxation; modifying net income amount of
13 charitable institution; expanding the requirement of
14 the property of the charitable institution; and
15 providing an effective date.

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

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

20 Section 2887. The following property shall be exempt from ad
21 valorem taxation:

22 1. All property of the United States, and such property as may
23 be exempt by reason of treaty stipulations existing at statehood
24 between the Indians and the United States government, or by reason
of federal laws in effect at statehood, during the time such
treaties or federal laws are in force and effect. In instances

1 where a federal agency has obtained title to property through
2 foreclosure, voluntary or involuntary liquidation or bankruptcy,
3 which was previously subject to ad valorem taxation, the property
4 may continue to be assessed for ad valorem taxes if such federal
5 agency has agreed to pay such taxes;

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

12 3. All property of any college or school, provided such
13 property is devoted exclusively and directly to the appropriate
14 objects of such college or school within this state and all property
15 used exclusively for nonprofit schools and colleges;

16 4. The books, papers, furniture and scientific or other
17 apparatus pertaining to any institution, college or society referred
18 to in paragraph 3 of this section, and devoted exclusively and
19 directly for the purpose above contemplated, and the like property
20 of students in any such institution or college, while such property
21 is used for the purpose of their education;

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

23 6. All property used for free public libraries, free museums,
24 public cemeteries, or free public schools;

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

19 For purposes of administering the exemption authorized by this
20 section and in order to determine whether a single family
21 residential property is used exclusively and directly for fraternal
22 or religious purposes, the fair cash value of a single family
23 residential property, for which an exemption is claimed as
24 authorized by this subsection, in excess of Five Hundred Thousand

1 Dollars (\$500,000.00) for the applicable assessment year shall not
2 be exempt from taxation;

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

14 a. additionally satisfies the income standards set forth
15 in Internal Revenue Service Revenue Procedure 96-32,
16 which may be audited by the county assessor of the
17 applicable county, in addition to other requirements
18 of this subparagraph, as a condition of obtaining and
19 maintaining the exemption, if:

20 (1) the property provides residential rental
21 accommodations regardless of whether services or
22 meals are provided, and
23 (2) the property:

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- (a) is occupied as of the applicable January 1 assessment date if the structure is a single-family dwelling, or
- (b) has an average seventy-five percent (75%) occupancy rate, based upon the total number of units suitable for occupancy, during the calendar year preceding the applicable January 1 assessment date if the property contains multiple structures suitable for multi-family housing. The owner of any property subject to the occupancy requirements prescribed herein shall submit a report to the county assessor of the county in which the property is located no later than December 15 each year regarding the occupancy rate for the preceding eleven (11) months. If the report indicates that the average occupancy rate was less than seventy-five percent (75%), the county assessor shall determine the taxable value of the property for the succeeding assessment year and the property shall not be exempt for any subsequent assessment year unless the average occupancy rate is at

least seventy-five percent (75%) during the succeeding eleven-month period. Except as provided in Section 178.6 of Title 60 of the Oklahoma Statutes, no asset consisting of a single-family or multi-family dwelling unit owned by an entity the property of which would otherwise be exempt pursuant to subparagraph a of this paragraph shall be exempt from ad valorem taxation if any such dwelling unit was improved with or acquired with any portion of proceeds from the sale of obligations issued by any entity organized pursuant to Section 176 of Title 60 of the Oklahoma Statutes if the interest income derived from such obligations is exempt from federal income tax, or

(c) is constructed, developed, or operated as an affordable housing project pursuant to this section, the structure of which is financed, in whole or in part, by or through the issuance of low income housing tax credits, as authorized pursuant to the Tax Reform Act of 1986 as may be amended from time to time, or

b. (1) for a facility constructed prior to January 1, 2006, is a continuum of care retirement community providing housing for the aged, licensed under Oklahoma law, owned by a nonprofit entity recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt entity and located in a county with a population of more than five hundred thousand (500,000) according to the latest Federal Decennial Census, and

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

- i. 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. located in any county of the state regardless of population, or

(b) for a facility other than a facility described by division (1) of subparagraph b of this paragraph and which is partially or

fully constructed prior to January 1, 2006,

is:

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,

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

iii. is located in any county of the state regardless of population;

9. All property used exclusively and directly for charitable

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

21 10. All property of any hospital established, organized and
22 operated by any person, partnership, association, organization,
23 trust, or corporation, as a nonprofit and charitable hospital,
24 provided the property and net income from such hospital are used

1 directly, solely, and exclusively within this state for charitable
2 purposes and that no part of such income shall inure to the benefit
3 of any individual, person, partner, shareholder, or stockholder, and
4 provided further that such hospital facilities shall be open to the
5 public without discrimination as to race, color or creed and
6 regardless of ability to pay, and that such hospital is licensed and
7 otherwise complies with the laws of this state relating to the
8 licensing and regulation of hospitals;

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

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

- a. the Spanish-American War,
- b. the period beginning on April 6, 1917, and ending on July 2, 1921,
- c. the period beginning on December 6, 1941, and ending on such date as the state of national emergency as declared by the President of the United States shall cease to exist, or
- d. any other or future period during which a state of national emergency shall have been or shall be declared to exist by the Congress or the President of the United States.

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

13. Family portraits;

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

15. All growing crops; and

1 16. All game animals, fowl and reptile, which are not being
2 grown for food or sale and which are kept exclusively for
3 propagation or exhibition, in private grounds or public parks in
4 this state.

5 SECTION 2. This act shall become effective November 1, 2026.

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7 60-2-13963 AO 12/02/25
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