

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

HOUSE BILL 3846

By: Roberts

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Section 2887, as amended by Section 1, Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025, Section 2887, which relates to ad valorem tax exemptions; modifying provisions related to certain property developed or operated as an affordable housing project; and providing an effective date.

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

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

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

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

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

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

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

1 least seventy-five percent (75%) during the
2 succeeding eleven-month period. Except as
3 provided in Section 178.6 of Title 60 of the
4 Oklahoma Statutes, no asset consisting of a
5 single-family or multi-family dwelling unit
6 owned by an entity the property of which
7 would otherwise be exempt pursuant to
8 subparagraph a of this paragraph shall be
9 exempt from ad valorem taxation if any such
10 dwelling unit was improved with or acquired
11 with any portion of proceeds from the sale
12 of obligations issued by any entity
13 organized pursuant to Section 176 of Title
14 60 of the Oklahoma Statutes if the interest
15 income derived from such obligations is
16 exempt from federal income tax, or

17 (c) the property is constructed, developed or
18 operated as an affordable housing project
19 pursuant to this section, the structure of
20 which is financed, in whole or in part, by
21 or through the issuance of low income
22 housing tax credits ("LIHTC"), as authorized
23 pursuant to the Tax Reform Act of 1986 (P.L.
24

1 99-514), as may be amended from time to
2 time,

3 b. (1) for a facility constructed prior to January 1,
4 2006, is a continuum of care retirement community
5 providing housing for the aged, licensed under
6 Oklahoma law, owned by a nonprofit entity
7 recognized by the Internal Revenue Service as a
8 Section 501(c)(3) tax-exempt entity and located
9 in a county with a population of more than five
10 hundred thousand (500,000) according to the
11 latest Federal Decennial Census, and

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

14 i. a continuum of care retirement
15 community providing housing for the
16 aged, licensed under Oklahoma law,

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

21 iii. located in any county of the state
22 regardless of population, or

23 (b) for a facility other than a facility
24 described by division (1) of subparagraph b

1 of this paragraph and which is partially or
2 fully constructed prior to January 1, 2006,
3 is:

4 i. owned and occupied on or after January
5 1, 2006, by an entity that operates a
6 continuum of care retirement community
7 providing housing for the aged,
8 licensed under Oklahoma law,

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

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

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

22 10. All property of any hospital established, organized and
23 operated by any person, partnership, association, organization,
24 trust, or corporation, as a nonprofit and charitable hospital,

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

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

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

1 personnel, whether on active duty or honorably discharged, who
2 served in the Armed Forces of the United States during:

3 a. the Spanish-American War,

4 b. the period beginning on April 6, 1917, and ending on
5 July 2, 1921,

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

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

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

18 13. Family portraits;

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

1 15. All growing crops; and

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

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

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