

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3846

By: Roberts

6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2021, Section 2887, as amended by Section 1,  
9 Chapter 260, O.S.L. 2023 (68 O.S. Supp. 2025, Section  
10 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.

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

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

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

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

- (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) the property 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 ("LIHTC"), as authorized pursuant to the Tax Reform Act of 1986 (P.L.

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

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, 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;

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

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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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8 60-2-14705 MAH 01/14/26

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