

1 ENGROSSED HOUSE
2 BILL NO. 2339

By: Archer of the House

3 and

4 Hall of the Senate

5
6 [revenue and taxation - exempt property - fair cash
7 value amount - parsonages - effective date]

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

9 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2887, is
10 amended to read as follows:

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

13 1. All property of the United States, and such property as may
14 be exempt by reason of treaty stipulations existing at statehood
15 between the Indians and the United States government, or by reason
16 of federal laws in effect at statehood, during the time such
17 treaties or federal laws are in force and effect. In instances
18 where a federal agency has obtained title to property through
19 foreclosure, voluntary or involuntary liquidation or bankruptcy,
20 which was previously subject to ad valorem taxation, the property
21 may continue to be assessed for ad valorem taxes if such federal
22 agency has agreed to pay such taxes;

23 2. All property of this state, and of the counties, school
24 districts, and municipalities of this state, including property

1 acquired for the use of such entities pursuant to the terms of a
2 lease-purchase agreement which provides for the passage of title or
3 the release of security interest, if applicable, upon payment of all
4 rental payments and an additional nominal amount;

5 3. All property of any college or school, provided such
6 property is devoted exclusively and directly to the appropriate
7 objects of such college or school within this state and all property
8 used exclusively for nonprofit schools and colleges;

9 4. The books, papers, furniture and scientific or other
10 apparatus pertaining to any institution, college or society referred
11 to in paragraph 3 of this section, and devoted exclusively and
12 directly for the purpose above contemplated, and the like property
13 of students in any such institution or college, while such property
14 is used for the purpose of their education;

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

16 6. All property used for free public libraries, free museums,
17 public cemeteries, or free public schools;

18 7. All property used exclusively and directly for fraternal or
19 religious purposes within this state. For purposes of this
20 paragraph, an exemption based on religious purposes includes real
21 property owned by a church which allows its premises to be used by
22 an entity if such entity is not required to make rental payments to
23 the church, is not required to execute a formal lease agreement with
24 respect to its occupancy of the church premises and conducts

1 instruction of children from any or all grades for ages preschool
2 through twelfth grade, including religious instruction consistent
3 with the doctrines of the church the premises of which are being
4 used for that purpose. For purposes of this paragraph, a
5 requirement by a church to be reimbursed by the entity for utility
6 expenses, janitorial services or similar expenses shall not be a
7 basis upon which to remove or deny the exempt status of church
8 property. Exempt status of church property shall not be removed nor
9 shall church property be allocated between taxable and exempt status
10 based on the use of church premises by an entity as described by
11 this paragraph.

12 For purposes of administering the exemption authorized by this
13 section and in order to determine whether a single family
14 residential property is used exclusively and directly for fraternal
15 or religious purposes, the fair cash value of a single family
16 residential property, for which an exemption is claimed as
17 authorized by this subsection, in excess of ~~Two Hundred Fifty~~
18 ~~Thousand Dollars (\$250,000.00)~~ Five Hundred Thousand Dollars
19 (\$500,000.00) for the applicable assessment year shall not be exempt
20 from taxation;

21 8. All property of any charitable institution organized or
22 chartered under the laws of this state as a nonprofit or charitable
23 institution, provided the net income from such property is used
24 exclusively within this state for charitable purposes and no part of

1 such income inures to the benefit of any private stockholder,
2 including property which is not leased or rented to any person other
3 than a governmental body, a charitable institution or a member of
4 the general public who is authorized to be a tenant in property
5 owned by a charitable institution under Section 501(c)(3) of the
6 Internal Revenue Code and which includes but is not limited to an
7 institution that either:

8 a. additionally satisfies the income standards set forth
9 in Internal Revenue Service Revenue Procedure 96-32,
10 which may be audited by the county assessor of the
11 applicable county, in addition to other requirements
12 of this subparagraph, as a condition of obtaining and
13 maintaining the exemption, if:

14 (1) the property provides residential rental
15 accommodations regardless of whether services or
16 meals are provided, and

17 (2) the property:

18 (a) is occupied as of the applicable January 1
19 assessment date if the structure is a
20 single-family dwelling, or

21 (b) has an average seventy-five percent (75%)
22 occupancy rate, based upon the total number
23 of units suitable for occupancy, during the
24 calendar year preceding the applicable

1 January 1 assessment date if the property
2 contains multiple structures suitable for
3 multi-family housing. The owner of any
4 property subject to the occupancy
5 requirements prescribed herein shall submit
6 a report to the county assessor of the
7 county in which the property is located no
8 later than December 15 each year regarding
9 the occupancy rate for the preceding eleven
10 (11) months. If the report indicates that
11 the average occupancy rate was less than
12 seventy-five percent (75%), the county
13 assessor shall determine the taxable value
14 of the property for the succeeding
15 assessment year and the property shall not
16 be exempt for any subsequent assessment year
17 unless the average occupancy rate is at
18 least seventy-five percent (75%) during the
19 succeeding eleven-month period. Except as
20 provided in Section 178.6 of Title 60 of the
21 Oklahoma Statutes, no asset consisting of a
22 single-family or multi-family dwelling unit
23 owned by an entity the property of which
24 would otherwise be exempt pursuant to

1 subparagraph a of this paragraph shall be
2 exempt from ad valorem taxation if any such
3 dwelling unit was improved with or acquired
4 with any portion of proceeds from the sale
5 of obligations issued by any entity
6 organized pursuant to Section 176 of Title
7 60 of the Oklahoma Statutes if the interest
8 income derived from such obligations is
9 exempt from federal income tax, or

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

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

21 i. a continuum of care retirement
22 community providing housing for the
23 aged, licensed under Oklahoma law,
24

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

5 iii. located in any county of the state
6 regardless of population, or

7 (b) for a facility other than a facility
8 described by division (1) of subparagraph b
9 of this paragraph and which is partially or
10 fully constructed prior to January 1, 2006,
11 is:

12 i. owned and occupied on or after January
13 1, 2006, by an entity that operates a
14 continuum of care retirement community
15 providing housing for the aged,
16 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. is located in any county of the state
22 regardless of population;

23 9. All property used exclusively and directly for charitable
24 purposes within this state, provided the charity using said property

1 does not pay any rent or remuneration to the owner thereof unless
2 the owner is a charitable institution described in Section 501(c)(3)
3 of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3), or a
4 veterans' organization described in Section 501(c)(19) of the
5 Internal Revenue Code, 26 U.S.C., Section 501(c)(19);

6 10. All property of any hospital established, organized and
7 operated by any person, partnership, association, organization,
8 trust, or corporation, as a nonprofit and charitable hospital,
9 provided the property and net income from such hospital are used
10 directly, solely, and exclusively within this state for charitable
11 purposes and that no part of such income shall inure to the benefit
12 of any individual, person, partner, shareholder, or stockholder, and
13 provided further that such hospital facilities shall be open to the
14 public without discrimination as to race, color or creed and
15 regardless of ability to pay, and that such hospital is licensed and
16 otherwise complies with the laws of this state relating to the
17 licensing and regulation of hospitals;

18 11. All libraries and office equipment of ministers of the
19 Gospel actively engaged in ministerial work in the State of
20 Oklahoma, where said libraries and office equipment are being used
21 by said ministers in their ministerial work, shall be deemed to be
22 used exclusively for religious purposes and are declared to be
23 within the meaning of the term "religious purposes" as used in
24 Article X, Section 6 of the Constitution of the State of Oklahoma;

1 12. Household goods, tools, implements and livestock of every
2 person maintaining a home, not exceeding One Hundred Dollars
3 (\$100.00) in value or One Thousand Dollars (\$1,000.00) in value if
4 Article X, Section 6 of the Oklahoma Constitution provides for an
5 exemption in such amount; and in addition thereto, there shall be
6 exempt from taxation on personal property the further sum of Two
7 Hundred Dollars (\$200.00) to all enlisted and commissioned
8 personnel, whether on active duty or honorably discharged, who
9 served in the Armed Forces of the United States during:

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

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

1 13. Family portraits;

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

8 15. All growing crops; and

9 16. All game animals, fowl and reptile, which are not being
10 grown for food or sale and which are kept exclusively for
11 propagation or exhibition, in private grounds or public parks in
12 this state.

13 SECTION 2. This act shall become effective November 1, 2023.

14 Passed the House of Representatives the 20th day of March, 2023.

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16 _____
17 Presiding Officer of the House
18 of Representatives

19 Passed the Senate the ____ day of _____, 2023.

20
21 _____
22 Presiding Officer of the Senate
23
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