

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** SB 416

**STATUS:** Original

**SUBJECT:** Limits historic special assessments to one 15-year term for all types of property

**GOVERNMENT UNIT AFFECTED:** Parks and Recreation Department

**PREPARED BY:** Dawn Farr

**REVIEWED BY:** Susie Jordan

**DATE:** March 14, 2007

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**EXPENDITURES:** See Comments.

<b>REVENUES:*</b>	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
Assessment Fees – Other Funds	\$ (288,750)	\$ (330,000)

\* *Reference the Legislative Revenue Impact Statement for tax revenue impacts associated with this bill.*

**EFFECTIVE DATE:** 91<sup>st</sup> day following sine die.

**GOVERNOR’S BUDGET:** This bill is not anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill would limit historic property special assessments to one 15-year term, and allows property assessments in process to complete term.

The Oregon Parks and Recreation Department (OPRD) conducts the assessments of historic properties and receives a fee to cover the costs of reviewing applications, confirming compliance with historic preservation rules, and monitoring of projects for the 15-year term of the special assessment. The fee is 1/3 of 1 percent of the fair market value of the property. Past assessments range from \$200 to \$70,000; hence, it is difficult to get an exact estimate of the anticipated revenue losses associated with reapplications. Based on historical data and the elimination of outliers, OPRD calculated an average assessment fee of \$8,250 per project, and identified that 40 reapplication projects would be eliminated per biennium. The resulting impact is an Other Fund revenue loss of \$288,750 for 2007-09 and \$330,000 for the 2009-11 biennia. The loss is less for the 2007-09 biennium because the bill does not take effect until 90 days into the next biennium.

OPRD currently has nearly \$800,000 in the Oregon Property Management Account, which is funded primarily by assessment fees. Funds from this account pay program expenses and fund grants to local communities and non-profit groups to protect historic properties. The department estimates that lost revenues will ultimately affect the programs ability to offer grants – most likely beginning in the 2009-11 biennium.