

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

---

**Action:** Do pass with amendments and be printed engrossed.

**Vote:** 4-0-1

**Yeas:** Burdick, Monroe, Starr, Deckert

**Nays:**

**Exc.:** G. George

**Prepared By:** Mary Ayala, Economist

**Meeting Dates:** 2/7, 3/15, 3/22

---

**WHAT THE BILL DOES:** Limits historical property special assessments to one 15-year term prospectively for all types of property unless a second 15 year term is approved by the local governing authority. Permits completion of the second 15-year term of special assessment. Requires that an application for special assessment include a preservation plan that must have a schedule for completing substantial work to the exterior of the building within the first 5 years of special assessment. Creates a Task Force on Historic Property to conduct a comprehensive review of the special assessment of the historic properties program. Requires Task Force to report to the Governor prior to October 1, 2008. Effective 91 days after sine die.

**ISSUES DISCUSSED:** Members highlighted their support for the Oregon's landmark historical preservation program; however, some expressed concerns about the adequacy of the parameters and/or requirements that have been used to approve the initial applications and the reapplications for the second 15-year exemption period. The members requested additional information about the nature of the property tax exemptions that have been granted to some residential properties located in Portland's Pearl District.

**EFFECT OF COMMITTEE AMENDMENTS:** Applications for special assessment must include a preservation plan that must include a schedule for completion of a substantial work on the exterior of the building within the first 5 years of the special assessment period. Enables the governing authority to exclude certain districts or properties from participation in the special assessment program. In adopting criteria, it shall consider the economic distress of the area in which these districts or properties are located. Creates a Task Force on Historic Property to conduct a comprehensive review of special assessment of the historic properties program and to determine if the program should be extended beyond July 1, 2010. Requires the Task Force to submit a report to the Governor prior to October 1, 2008 with staff support from the State Parks and Recreation Department. Grants local governing authorities control over approval of a second 15 year exemption for historically designated commercial properties.

**BACKGROUND:** Under current law, both historically designated commercial and residential properties may be eligible for a 15 year special assessment which may be extended another 15 years subject to satisfaction of other requirements. Reapplications of residential properties for a second 15 year period of special assessment require local approval. Reapplications of commercial properties require renovation plans that must be approved by the State Historic Preservation Officer.

Prior to 2005, only historically designated commercial properties could apply for a second 15-year period of special assessment. During the 2005 Session, however, the Legislature enacted the provisions that enabled residential properties to apply for this extension as well.

There are currently about 2,400 historically designated, specially assessed properties in Oregon. About 600 are residential properties enrolled in their initial 15-year periods of special assessment; and 5 have reapplied for a second period of special assessment. Seventeen cities and 2 counties have approved the second 15-year period of special assessments for residential properties.