

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass as amended and be printed engrossed
Vote: 9-0-0
Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart
Nays:
Exc.:
Prepared By: Mary Ayala, Economist
Meeting Dates: 5/2, 5/29, 5/30

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. 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:

- The overview of the economic impacts created by the restoration of historical properties in Portland.
- That some historically designated properties in the Pearl District have benefited from the special assessments; but these properties have also stimulated growth in core areas of Portland which has increased the local tax base in areas that may not otherwise have been revitalized.
- That the bill is unclear about the criteria that a governing body will employ in order to determine which districts or properties shall participate in the special assessment program.
- Whether the proposed Task Force should prepare its review of the program before any of the proposed changes to the program are enacted into Law.
- That the review by the Task Force will be able to include consideration of Measure 5's effect on the assessed valuation of historically designated properties after they are no subject to the special assessment.

EFFECT OF COMMITTEE AMENDMENTS: Deletes the requirement that a preservation plan for the special assessment must include a schedule for completion of substantial rehabilitation work on the exterior of the building within the first 5 years of the special assessment. Expands the Task Force responsibilities with respect to its review to include 'any issue' that it needs to address in making an assessment of the historical preservation program.

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.