

A-Engrossed
Senate Bill 416

Ordered by the Senate April 5
Including Senate Amendments dated April 5

Sponsored by Senator WALKER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Limits historic property special assessments to one 15-year term for all types of property. Permits completion of second 15-year term of historic property special assessment.]

Requires owner of historic property applying for special assessment to include in preservation plan schedule for completion of rehabilitation work within first five years of special assessment period.

Allows governing body to exclude certain districts or properties from participation in historic property special assessment program.

Includes commercial properties under reapplication for special assessment provisions.

Creates Task Force on Historic Property to conduct comprehensive review of special assessment program.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to historic property; creating new provisions; amending ORS 358.487, 358.540 and 358.541;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 358.487 is amended to read:

6 358.487. (1)(a) An owner of historic property desiring classification and special assessment under
7 ORS 358.480 to 358.545 for the property may make application for the classification and special as-
8 sessment to the State Historic Preservation Officer on forms approved by the State Historic Pres-
9 ervation Officer. The forms shall include or be accompanied by the written consent of the owner to
10 the viewing of the property by the State Historic Preservation Officer. Any application made under
11 this subsection shall include a preservation plan and be sent by the State Historic Preservation
12 Officer to the appropriate county assessor, local landmark commission and governing body. **The**
13 **preservation plan must include a schedule for completion of substantial rehabilitation work**
14 **on the exterior of the building within the first five years of the special assessment period.**
15 An application must be made during the calendar year preceding the first property tax year for
16 which classification and special assessment as historic property is desired.

17 (b) Classification and special assessment pursuant to an application made under this subsection
18 shall be granted only for 15 consecutive property tax years, commencing in the tax year beginning
19 on the July 1 following the calendar year in which the application was made.

20 (2)(a) An owner may make preliminary application for classification of property as historic upon
21 approval by the State Advisory Committee on Historic Preservation of the nomination of the prop-
22 erty for listing on the National Register of Historic Places or, if the National Register of Historic
23 Places ceases accepting nominations, the nomination of the property for listing on an Oregon reg-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 ister of historic places.

2 (b) The preliminary application shall be considered an application made or received for purposes
3 of subsection (1) of this section if, by September 15 of the year for which classification and special
4 assessment are first sought, the property is:

5 (A) Listed in the National Register of Historic Places; or

6 (B) If the National Register of Historic Places ceases accepting nominations, approved for listing
7 on an Oregon register of historic places.

8 (c) If the requirements of paragraph (b) of this subsection are not satisfied, the preliminary ap-
9 plication may not be considered an application made for purposes of subsection (1) of this section
10 until the calendar year in which, as of September 15, the property is listed as described in paragraph
11 (b) of this subsection.

12 (3) Immediately upon receipt of a copy of the application under subsection (1) of this section, the
13 county assessor shall review the application for accuracy and completeness of description and other
14 matters within the expertise of the county assessor and shall make recommendations regarding the
15 classification to the State Historic Preservation Officer.

16 (4)(a) Immediately upon receipt of a copy of the application under subsection (1) of this section,
17 the governing body shall review the application for matters relating to public benefit and shall make
18 recommendations regarding the classification to the State Historic Preservation Officer.

19 **(b) A governing body may exclude certain districts or properties from participation in the**
20 **special assessment program under criteria established by the governing body. In adopting**
21 **criteria, the governing body shall consider whether a district is in economic distress and the**
22 **value of the property in the district.**

23 (5) By making application for classification and assessment under this section, the owner con-
24 sents that the State Historic Preservation Officer has access to the property for inspection at rea-
25 sonable times to ensure that the terms of the national register or other federal or state laws or
26 requirements are being met.

27 (6) The application for classification and assessment under ORS 358.480 to 358.545 may not be
28 processed unless accompanied by a nonrefundable fee of one-third of one percent of the real market
29 value of the property, as of the assessment date, for the year in which application is made. The fee
30 shall be deposited in the State Parks and Recreation Department Fund for use by the State Parks
31 and Recreation Director or for transfer to the Oregon Property Management Account established
32 under ORS 358.680 to 358.690, upon the advice of the State Advisory Committee on Historic Pres-
33 ervation.

34 **SECTION 2.** ORS 358.540 is amended to read:

35 358.540. (1) Property classified as historic property under ORS 358.480 to 358.545 is entitled to
36 any other exemption or special assessment provided by law.

37 (2) Property that has received special assessment under ORS 358.480 to 358.545 for 15 years, at
38 the completion of the 15-year term, is disqualified from historic property special assessment.

39 (3)(a) Notwithstanding subsection (2) of this section, following completion of the initial 15-year
40 period of historic property classification and disqualification under subsection (2) of this section, the
41 owner of property classified as historic property may reapply under ORS 358.487 for one additional
42 15-year period of special assessment under ORS 358.480 to 358.545. Following completion of the
43 second 15-year term of special assessment, the historic property shall be disqualified from historic
44 property special assessment and is not again eligible for special assessment under ORS 358.480 to
45 358.545.

1 (b) For commercial property, a reapplication filed under this subsection, in addition to contain-
2 ing all of the information required of an application filed under ORS 358.487, shall be accompanied
3 by a renovation plan detailing measures to be taken for purposes of Americans with Disabilities Act
4 compliance, seismic improvement measures or energy conservation measures, the costs associated
5 with the measures and a schedule of the dates on which work on the measures will be begun and
6 completed.

7 (c) For commercial property, a reapplication filed under this subsection that in other respects
8 is in compliance with the application requirements of ORS 358.487 may be approved only upon a
9 finding by the State Historic Preservation Officer that the renovation plan submitted with the re-
10 application will, if implemented, result in a significant investment in the historic property that pro-
11 motes compliance with Americans with Disabilities Act requirements or that results in seismic
12 improvements or energy conservation improvements to the property. If approved, the renovation
13 plan shall be considered an amendment to and part of the preservation plan filed with the reappli-
14 cation and in effect for the property.

15 (d) For residential **or commercial** property, a reapplication filed under this subsection that in
16 other respects is in compliance with the application requirements of ORS 358.487 may be approved
17 only if a second term of historic property classification and special assessment for residential **or**
18 **commercial** property is authorized under ORS 358.541.

19 **(e) For residential property, a reapplication filed under this subsection must include a**
20 **preservation plan that includes a schedule for completion of substantial rehabilitation work**
21 **on the exterior of the building within the first five years of the special assessment period.**

22 [(e)] (f) The State Historic Preservation Officer may adopt rules under this subsection, including
23 rules that provide:

24 (A) The minimum amount of investment that must be made in order for the investment to be
25 considered a significant investment.

26 (B) The minimum amount of seismic improvement to the property that must be contemplated in
27 the renovation plan in order for the plan to be approved.

28 (C) The minimum level of energy conservation improvements that must be contemplated in the
29 renovation plan in order for the plan to be approved.

30 (D) The maximum amount of time between the date of filing of the reapplication and the date
31 of completion of the measures described in the renovation plan in order for the renovation plan to
32 be approved.

33 **SECTION 3.** ORS 358.541 is amended to read:

34 358.541. (1) Residential **or commercial** property may not qualify for a second term of classi-
35 fication and special assessment as historic property under this section unless:

36 (a) If the property is located within a city, the governing body of the city has adopted a resol-
37 ution or ordinance authorizing a second term of historic property classification and special assess-
38 ment for residential **or commercial** property; or

39 (b) If the property is located within unincorporated territory of a county, the governing body
40 of the county has adopted a resolution or ordinance authorizing a second term of historic property
41 classification and special assessment for residential **or commercial** property.

42 (2) The city or county authorizing a second term of historic property classification and special
43 assessment for residential **or commercial** property shall send a copy of the authorizing resolution
44 or ordinance to the State Historic Preservation Officer.

45 **SECTION 4. (1) The amendments to ORS 358.487, 358.540 and 358.541 by sections 1 to 3**

1 of this 2007 Act apply only to applications for historic property special assessment that are
2 filed or approved on or after the effective date of this 2007 Act.

3 (2) Nothing in the amendments to ORS 358.487, 358.540 and 358.541 by sections 1 to 3 of
4 this 2007 Act affects the status of property that is classified as historic property on the ef-
5 fective date of this 2007 Act. Such property may continue to receive special assessment un-
6 der ORS 358.480 to 358.545 until the completion of the 15-year term that is in effect on the
7 effective date of this 2007 Act.

8 **SECTION 5.** (1) There is created the Task Force on Historic Property, consisting of 12
9 members appointed as follows:

10 (a) The President of the Senate shall appoint one member from among members of the
11 Senate.

12 (b) The Speaker of the House of Representatives shall appoint one member from among
13 members of the House of Representatives.

14 (c) The Governor shall appoint one representative of each of the following:

15 (A) The National Trust for Historic Preservation;

16 (B) The State Historic Preservation Officer;

17 (C) The Oregon Preservation Alliance;

18 (D) The Oregon Historic Property Owners Association;

19 (E) The development community within an urban population;

20 (F) The development community within a rural population;

21 (G) The Oregon State Association of County Assessors;

22 (H) The Department of Revenue;

23 (I) The League of Oregon Cities; and

24 (J) Homeowners who participate in the special assessment for historic properties pro-
25 gram under ORS 358.480 to 358.545.

26 (2) The task force shall conduct a comprehensive review of the special assessment for
27 historic properties program under ORS 358.480 to 358.545. The purpose of the review is to
28 determine whether the program should be extended beyond July 1, 2010. The task force shall
29 assess the merits and shortcomings of the program and make recommendations for im-
30 proving or eliminating the program. The task force shall study:

31 (a) The effectiveness of the program in stimulating historic preservation activities and
32 reinvestment in historic buildings and districts;

33 (b) The application fee structure of the program;

34 (c) The program's administrative costs for the State Historic Preservation Officer and
35 costs for the participants in the program;

36 (d) The accountability of program participants for projects that meet program goals and
37 for completion of work plan tasks;

38 (e) The administrative rules implementing the program;

39 (f) The role of local governments in the program and the fiscal impact of the program
40 on local governments;

41 (g) The economic impact of the program on local communities that rehabilitate and pre-
42 serve their historic built environments;

43 (h) The role of the program in relation to other historic preservation incentive programs,
44 including the Historic Preservation Revolving Loan Fund program, grant programs and the
45 rehabilitation tax credit program;

1 (i) The complexities of including multiple owners of residential condominium projects
2 within historic buildings in the special assessment for historic properties program; and

3 (j) The negative impact on program participants when the term of the special assessment
4 expires and property taxes have increased beyond the capped three percent per year increase
5 allowed if the property had not been in the program.

6 (3) A majority of the members of the task force constitutes a quorum for the transaction
7 of business.

8 (4) Official action by the task force requires the approval of a majority of the members
9 of the task force.

10 (5) The task force shall elect one of its members to serve as chairperson.

11 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-
12 ment to become immediately effective.

13 (7) The task force shall meet at times and places specified by the call of the chairperson
14 or of a majority of the members of the task force.

15 (8) The task force may adopt rules necessary for the operation of the task force.

16 (9) Prior to October 1, 2008, the task force shall submit a report to the Governor and the
17 interim legislative committees on revenue. The report may include program recommen-
18 dations and a request for legislation.

19 (10) The State Parks and Recreation Department shall provide staff support to the task
20 force.

21 (11) Members of the task force who are not members of the Legislative Assembly are not
22 entitled to compensation, but may be reimbursed for actual and necessary travel and other
23 expenses incurred by them in the performance of their official duties in the manner and
24 amounts provided for in ORS 292.495. Claims for expenses shall be paid out of funds appro-
25 priated to the department for that purpose.

26 (12) All agencies of state government, as defined in ORS 174.111, and local government,
27 as defined in ORS 174.116, are directed to assist the task force in the performance of its
28 duties and, to the extent permitted by laws relating to confidentiality, to furnish such in-
29 formation and advice as the members of the task force consider necessary to perform their
30 duties.

31 **SECTION 6.** Section 5 of this 2007 Act is repealed on the date of the adjournment of the
32 next regular biennial legislative session.

33 **SECTION 7.** This 2007 Act takes effect on the 91st day after the date on which the reg-
34 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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