

# Senate Bill 416

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 **as introduced**.

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.

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 358.482, 358.505 and 358.540;  
3 repealing ORS 358.541; and prescribing an effective date.

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

5 **SECTION 1.** ORS 358.505 is amended to read:

6 358.505. (1)(a) The county assessor shall, for the 15 consecutive tax years elected under ORS  
7 358.480 to 358.545, list on the assessment and tax roll a specially assessed value for property clas-  
8 sified as historic property that equals the assessed value of the property at the time application for  
9 classification was made.

10 (b) Notwithstanding paragraph (a) of this subsection, if the property that is the subject of the  
11 application was exempt or specially assessed at the time the application for classification was made,  
12 the county assessor shall, for the 15 consecutive tax years elected under ORS 358.480 to 358.545, list  
13 on the assessment and tax roll a specially assessed value for the property that equals the product  
14 of the real market value of the property for the tax year in which the application was made multi-  
15 plied by the ratio of the average maximum assessed value over the average real market value for  
16 that tax year of property in the same area and property class.

17 *[(c) If a reapplication for classification and special assessment filed pursuant to ORS 358.540 (3)*  
18 *is approved under ORS 358.490, the county assessor shall, for 15 consecutive tax years after the date*  
19 *of the filing of the reapplication, list on the assessment and tax roll a specially assessed value for the*  
20 *property that was the subject of the reapplication that equals the product of the real market value of*  
21 *the property for the assessment year in which the reapplication is made multiplied by the ratio of the*  
22 *average maximum assessed value over the average real market value for the assessment year of prop-*  
23 *erty in the same area and property class.]*

24 (2)(a) For the first tax year of a 15-year period of historic property special assessment,  
25 notwithstanding ORS 308.149 (2), the maximum assessed value of property subject to historic prop-  
26 erty special assessment shall equal the specially assessed value of the property under subsection (1)  
27 of this section multiplied by the ratio, not greater than 1.00, of the maximum assessed value the  
28 property would have had if the property were not specially assessed over the real market value of  
29 the property.

30 (b) For each tax year after the first tax year in which the property is subject to special as-  
31 sessment as historic property and before the conclusion of the 15-year period of historic property

**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 special assessment, the property's maximum assessed value subject to special assessment shall equal  
 2 103 percent of the property's assessed value from the prior year or 100 percent of the property's  
 3 maximum assessed value subject to special assessment from the prior year, whichever is greater.

4 (3) The assessed value of property that is classified as historic property for the tax year shall  
 5 equal the lesser of:

6 (a) The property's specially assessed value as determined under subsection (1) of this section;  
 7 or

8 (b) The property's maximum assessed value as determined under subsection (2) of this section.

9 (4) Except as provided under ORS 358.487 (2), the entitlement of property to the special assess-  
 10 ment provisions of this section shall be determined as of July 1. If the property becomes disqualified  
 11 on or after July 1, its assessment for that year shall continue as provided in this section.

12 (5) Assessed value, as defined and determined under ORS 308.146, shall be determined for prop-  
 13 erty classified as historic property by the county assessor each year. The assessed value so deter-  
 14 mined for any year shall be subject to appeal to the county board of property tax appeals within the  
 15 time and in the manner provided in ORS chapter 309 and shall be subject to appeal thereafter to the  
 16 Oregon Tax Court and to the Oregon Supreme Court within the time and in the manner provided  
 17 for appeals of value determination for purposes of ad valorem property taxation.

18 (6) The Department of Revenue, in consultation with the State Historic Preservation Officer,  
 19 shall adopt rules within its area of expertise that are necessary to the implementation of ORS  
 20 358.480 to 358.545.

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

22 358.540. (1) Property classified as historic property under ORS 358.480 to 358.545 is entitled to  
 23 any other exemption or special assessment provided by law.

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

26 *[(3)(a) Notwithstanding subsection (2) of this section, following completion of the initial 15-year  
 27 period of historic property classification and disqualification under subsection (2) of this section, the  
 28 owner of property classified as historic property may reapply under ORS 358.487 for one additional  
 29 15-year period of special assessment under ORS 358.480 to 358.545. Following completion of the second  
 30 15-year term of special assessment, the historic property shall be disqualified from historic property  
 31 special assessment and is not again eligible for special assessment under ORS 358.480 to 358.545.]*

32 *[(b) For commercial property, a reapplication filed under this subsection, in addition to containing  
 33 all of the information required of an application filed under ORS 358.487, shall be accompanied by a  
 34 renovation plan detailing measures to be taken for purposes of Americans with Disabilities Act com-  
 35 pliance, seismic improvement measures or energy conservation measures, the costs associated with the  
 36 measures and a schedule of the dates on which work on the measures will be begun and completed.]*

37 *[(c) For commercial property, a reapplication filed under this subsection that in other respects is  
 38 in compliance with the application requirements of ORS 358.487 may be approved only upon a finding  
 39 by the State Historic Preservation Officer that the renovation plan submitted with the reapplication  
 40 will, if implemented, result in a significant investment in the historic property that promotes compliance  
 41 with Americans with Disabilities Act requirements or that results in seismic improvements or energy  
 42 conservation improvements to the property. If approved, the renovation plan shall be considered an  
 43 amendment to and part of the preservation plan filed with the reapplication and in effect for the prop-  
 44 erty.]*

45 *[(d) For residential property, a reapplication filed under this subsection that in other respects is in*

1 *compliance with the application requirements of ORS 358.487 may be approved only if a second term*  
 2 *of historic property classification and special assessment for residential property is authorized under*  
 3 *ORS 358.541.]*

4 *[(e) The State Historic Preservation Officer may adopt rules under this subsection, including rules*  
 5 *that provide:]*

6 *[(A) The minimum amount of investment that must be made in order for the investment to be con-*  
 7 *sidered a significant investment.]*

8 *[(B) The minimum amount of seismic improvement to the property that must be contemplated in the*  
 9 *renovation plan in order for the plan to be approved.]*

10 *[(C) The minimum level of energy conservation improvements that must be contemplated in the*  
 11 *renovation plan in order for the plan to be approved.]*

12 *[(D) The maximum amount of time between the date of filing of the reapplication and the date of*  
 13 *completion of the measures described in the renovation plan in order for the renovation plan to be ap-*  
 14 *proved.]*

15 **SECTION 3.** ORS 358.482 is amended to read:

16 358.482. (1) As used in ORS 358.480 to 358.545:

17 (a) “Americans with Disabilities Act” means the Americans with Disabilities Act of 1990 (P.L.  
 18 101-336), as amended.

19 (b) “Commercial property” means real property used in a trade or business or held for the pro-  
 20 duction of income, including multifamily residential rental property.

21 (c) “Preservation plan” means a written preservation, maintenance and rehabilitation proposal  
 22 submitted by the owner with the application for classification and special assessment as historic  
 23 property that has been approved by the State Historic Preservation Officer, or as amended and re-  
 24 approved by the State Historic Preservation Officer, and that is in compliance with standards and  
 25 guidelines for rehabilitation and rules adopted by the State Historic Preservation Officer.

26 *[(d) “Renovation plan” means a written proposal submitted by an owner of commercial property in*  
 27 *connection with a reapplication for special assessment pursuant to ORS 358.540 (3) that is in compli-*  
 28 *ance with rules adopted by the State Historic Preservation Officer for the submission and content of*  
 29 *renovation plans.]*

30 *[(e)]* (d) “Review committee” means the Historic Assessment Review Committee established un-  
 31 der ORS 358.511.

32 *[(f)]* (e) “Seismic improvement” means construction or other measures that improve the seismic  
 33 performance or structural stability of property, or that reduce the potential for heavy structural  
 34 damage to property in the event of an earthquake.

35 *[(g)]* (f) “Standards and guidelines for rehabilitation” means the standards and guidelines, based  
 36 on those developed by the United States Secretary of the Interior, adopted by the State Historic  
 37 Preservation Officer to determine sufficiency of preservation plans, maintenance, alteration and  
 38 construction for a specific property.

39 (2) Except as otherwise specifically provided, the definitions contained in this section apply to  
 40 property first classified and assessed as historic property on or after July 1, 1996.

41 **SECTION 4. ORS 358.541 is repealed.**

42 **SECTION 5. (1) The amendments to ORS 358.540 by section 2 of this 2007 Act apply only**  
 43 **to applications for historic property special assessment that are filed or approved on or after**  
 44 **the effective date of this 2007 Act.**

45 **(2) Nothing in this 2007 Act affects the status of property that is classified as historic**

1 **property on the effective date of this 2007 Act. Such property may continue to receive special**  
2 **assessment under ORS 358.480 to 358.545 until the completion of the 15-year term that is in**  
3 **effect on the effective date of this 2007 Act.**

4 **SECTION 6. This 2007 Act takes effect on the 91st day after the date on which the reg-**  
5 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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