

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: SB 192 A
CARRIER: Sen. Burdick**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass with Amendments and be Printed A-Engrossed

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 3/3, 4/21, 5/27, 6/1

WHAT THE BILL DOES: Makes changes in the historic property special assessment program. Requires property owners applying for historic property partial tax exemptions to submit and implement a preservation plan for participating property. Establishes the initial 10-year period of partial tax exemption, an application fee, certification procedures, and reporting requirements. Establishes methods of benefit calculation. Lists conditions for the initial term disqualification from the program. Defines condominium in the context of the program and establishes conditions for qualification and disqualification. Authorizes certification for the second 10-year period of partial tax exemption. Directs the Director of Department of Revenue and the State Historic Preservation Officer to adopt rules to carry out the purposes of historic property special assessment. Permits applications for a participation in the historic property partial tax exemption until July 1, 2020, extending the current sunset on June 30, 2010.

ISSUES DISCUSSED:

- Issues related to assessment upon disqualification and complications created by Measure 5 and Measure 50
- Refining condominium re-designation and fair benefit calculation for condos
- Streamlining process for participants and measures for increasing accountability

EFFECT OF COMMITTEE AMENDMENTS: Replaces the contents of the original bill and accomplishes the bill description above.

BACKGROUND: Under the current law, Oregon's historic property special assessment program freezes property tax rates for 15 years. The intent is to encourage reinvestment in historic buildings by freezing their property tax rates at pre-restoration levels. According to the Oregon Parks and Recreation Department, as of July 1, 2009, there are a total of 539 historic properties in the state that are participating in the Special Assessment program.

Over the years there have been dozens of revisions that have complicated the administration of the statutes. The 2007 Legislative Assembly passed the Senate Bill 416, which revised the Special Assessment program by making it more restrictive, and it created a Task Force to examine the program in light of its 2010 sunset. The Task Force was created not only to scrutinize the program but to explore other options for encouraging and providing incentives for the preservation of significant historic buildings and sites. The final report of the Task Force was published on October 1, 2008.

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