

Special Assessment of Historic Properties

The nation's first state-level historic preservation tax incentive, enacted in 1975, sunsets in 2020. Tax law and administrative changes over time have diminished the program's effectiveness, but it remains the only statewide preservation incentive available in Oregon. SB 48 extends the sunset until 2023, giving interested parties and stakeholders time to determine the best path forward for incentives that more effectively meet today's preservation needs statewide.

Before: Allen Building, Astoria



Financial incentives are important tools in encouraging the preservation of historic buildings. Oregon's special assessment program allows eligible commercial and residential properties to receive a special property tax assessment for ten years (with the option of a second 10-year term in some cases).

Program eligibility is limited to owners of historic properties listed in the

National Register of Historic Places with a preservation plan approved by the State Historic Preservation Office. Plans outline substantial rehabilitation projects to be completed during the ten-year period, with an emphasis on exterior improvements. Owners must invest ten-percent of the total real market value (RMV) of the property on approved projects within the first five years on the program. For most properties, this includes the RMV of both the building (improvements) and the land.

The program is most effective for commercial rehabilitation projects and in urban counties where up-front investment is not an obstacle. It is not widely used in rural counties or by lower-income owners, which means it is not achieving the statewide reach originally envisioned, and critically needed, for an inclusive approach to revitalizing Oregon's special places.

After: Allen Building, Astoria



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Senate Bill 48

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for State Parks and Recreation Department)

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**.

Extends sunset of historic property special assessment program.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to historic property; amending ORS 358.499; and prescribing an effective date.

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

4 **SECTION 1.** ORS 358.499 is amended to read:

5 358.499. (1) Property first classified and specially assessed as historic property for a tax year
6 beginning on or before July 1, 1994, shall continue to be so classified, specially assessed and re-
7 moved from special assessment as provided under ORS 358.487 to 358.543 as those sections were in
8 existence and in effect on December 31, 1992.

9 (2) Property may be classified and specially assessed under ORS 358.487 to 358.543 pursuant to
10 application filed under ORS 358.487 on or after September 9, 1995, and first applicable for the tax
11 year 1996-1997 or any tax year thereafter.

12 (3) Property may not be classified and specially assessed pursuant to application filed under ORS
13 358.487 or 358.540 if the application is filed on or after July 1, [2020] 2023.

14 **SECTION 2.** **This 2019 Act takes effect on the 91st day after the date on which the 2019**
15 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

16

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.