

SB 929 STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

Action Date: 04/08/19

Action: Do pass and refer to Tax Expenditures by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Bentz, Dembrow, Olsen, Prozanski, Roblan

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/26, 4/4, 4/8

WHAT THE MEASURE DOES:

Creates tax credit for certified historic property project contributions made by a taxpayer to the State Historic Property Project Fund (Fund). Directs Department of Revenue, in cooperation with the State Historic Preservation (SHP) Officer, to conduct an auction of tax credits and deposit receipts into the Fund. Directs SHP Officer to adopt rules to achieve specified goals, including to generate contributions for which tax credits of \$___ are certified each fiscal year. Limits amount certified for tax credits to \$___ million for the fiscal year in which certification is made. Requires first year for which tax credit is claimed to be before January 1, 2026. Provides for payment of rebates from Fund to property owners for eligible expenses for rehabilitation and seismic retrofitting of historic properties. Establishes requirements for rebate qualification and requires SHP Officer to verify claims for eligible expenses. Requires SHP Officer to give priority to rebates for creating or preserving workforce housing and seismic retrofitting of unreinforced masonry buildings. Requires property owner to execute a covenant prior to rebate issuance for workforce housing project that creates a property right in the SHP Officer to require the property to be used as workforce housing. Sets maximum rebate for single historic property. Establishes that after payment of refunds to taxpayers and tax credit marketer, balance of fund is to be used as follows: 70 percent for rebates and 30 percent for rebates for small projects (eligible expenses of less than \$1 million). Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Cost of code updates and renovation of historic buildings
- Potential for converting historic properties to housing
- Seismic updates to historic buildings

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

As of July 2017, 35 states offered credits against state taxes to provide incentives for the rehabilitation of historic buildings. (*State Tax Credits for Historic Preservation, National Trust for Historic Preservation, 2017*) Oregon does not currently offer such a tax credit.

Senate Bill 929 would create a tax credit for historic property project contributions and provide for rebates to property owners for expenses for rehabilitation and seismic retrofitting of historic properties. The measure would require the State Historic Preservation Officer to give priority to rebates for creating or preserving workforce housing and the seismic retrofitting of unreinforced masonry buildings.