

SB 108-1
(LC 644)
3/23/21 (ASD/ps)

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE (at the request of Senator
Ginny Burdick)

**PROPOSED AMENDMENTS TO
SENATE BILL 108**

1 On page 3 of the printed bill, delete lines 11 through 45.

2 On page 4, delete lines 1 through 28 and insert:

3 **“SECTION 2.** ORS 358.487 is amended to read:

4 “358.487. (1) An owner of [*historic*] **commercial** property [*desiring*]
5 **seeking** classification and special assessment **as historic property** under
6 ORS 358.487 to 358.543 for the property [*shall*] **must** apply to the State His-
7 toric Preservation Officer on forms approved by the officer.

8 “(2) The application must include or be accompanied by:

9 “(a) A preservation plan [*as defined in ORS 358.480. The preservation plan*
10 *must commit*] **that:**

11 **“(A) Commits** the applicant to expend, within the first five years for
12 which historic property special assessment is granted, an amount not less
13 than 10 percent of the historic property’s real market value [*determined*] as
14 of the [*assessment date for the first tax year to which the historic property*
15 *special assessment applies.*] **date of application;**

16 **“(B)** [*The focus of the preservation plan must be*] **Focuses** on exterior
17 features, especially those visible from a public way, and **on** structural mem-
18 bers of the property[.];

19 **“(C) Meets the historic rehabilitation standards with respect to**
20 **work proposed in the plan;**

21 **“(D) May include** the treatment of significant interior features, as de-

1 terminated by the State Historic Preservation Officer[, *may also be included*
2 *in the plan, but unless specifically required by the officer, work in bathrooms,*
3 *kitchens, basements and attics is not included in the preservation plan. Work*
4 *proposed in the plan must meet the historic rehabilitation standards.]; and*

5 **“(E) May address compliance with the Americans with Disabilities**
6 **Act of 1990 (P.L. 101-336), as amended, seismic improvements and im-**
7 **provements in energy and water conservation.**

8 “(b) [*Payment of*] An application fee [*equal to:*] **established by the State**
9 **Historic Preservation Officer by rule.**

10 “[*A One-tenth of one percent of the assessed value of the property, as of*
11 *the assessment date, for the year in which application is made; or*]

12 “[*B For property that does not have an assessed value, one-tenth of one*
13 *percent of the product of the real market value of the property for the tax year*
14 *in which the application is made multiplied by the ratio of the average maxi-*
15 *mum assessed value over the average real market value for that tax year of*
16 *property in the same area and property class.*]

17 “(c) A copy of the property’s current **property** tax statement.

18 “(d) Proof that the owner has property insurance on the property in an
19 amount **at least** equal to the [*replacement*] **assessed** value of the property
20 **as of the date of application.**

21 “(e) The written consent of the owner to the viewing of the property by
22 the State Historic Preservation Officer.

23 “(3) The application must be [*made*] **received** before April 1 of the as-
24 sessment year for which classification and special assessment as historic
25 property are [*desired*] **sought.**

26 “(4)(a) Property must be classified as historic property in order to be
27 [*certified for*] **specialy assessed as** historic property [*special assessment*].

28 “(b) Notwithstanding paragraph (a) of this subsection, property may be
29 certified for historic property special assessment upon a determination of
30 eligibility by the State Historic Preservation Officer under ORS 358.480

1 (11)(b) or (c). Property certified under this paragraph must become listed in
2 the National Register of Historic Places within two years of certification
3 under ORS 358.490.

4 **“(c) Property may be classified as historic property if the property:**

5 **“(A) Is currently listed, either individually or as a contributing re-**
6 **source, in the National Register of Historic Places established and**
7 **maintained under the National Historic Preservation Act of 1966 (P.L.**
8 **89-665); or**

9 **“(B)(i) Is a building, structure, object or site that is on or within**
10 **an historic property currently listed in the National Register of His-**
11 **toric Places; and**

12 **“(ii) In the opinion of the State Historic Preservation Officer, is**
13 **eligible to become a contributing resource as a result of a proposed**
14 **preservation plan.**

15 *“(5) [Classification and special assessment pursuant to an application made*
16 *under this section are granted for 10 consecutive property tax years, starting*
17 *in the tax year beginning on July 1 of the assessment year described in sub-*
18 *section (3) of this section.] An owner of historic property seeking classi-*
19 **fication and special assessment for the property may reapply under**
20 **this section 10 years following the completion of a term of special as-**
21 **essment under a previous version, as described in ORS 358.499, of the**
22 **program established under ORS 358.480 to 358.545.**

23 *“[(6)] (6)(a) The application fee required under subsection (2) of this sec-*
24 **tion becomes nonrefundable after approval under ORS 358.490 of the**
25 **application to which the fee relates.**

26 **“(b) The application fee** shall be deposited in the State Parks and Re-
27 creation Department Fund for use by the State Parks and Recreation Direc-
28 tor or for transfer to the Oregon Property Management Account established
29 under ORS 358.680 to 358.690[, *upon the advice of the State Advisory Com-*
30 *mittee on Historic Preservation. The application fee becomes nonrefundable*

1 *after certification as described in ORS 358.495].”.*

2 On page 6, delete lines 39 through 45.

3 On page 7, delete lines 1 through 6 and insert:

4 **“SECTION 5.** ORS 358.499 is amended to read:

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

10 *“[(2)] (1) Property may be classified and specially assessed as historic*
11 **property** under ORS 358.487 to 358.543 pursuant to **an** application filed un-
12 der ORS 358.487 on or after September 9, 1995, and first applicable for the
13 **property** tax year 1996-1997 or any **property** tax year thereafter.

14 *“[(3)] (2) Property may not be classified and specially assessed as historic*
15 **property** pursuant to **an** application filed under ORS [*358.487 or*] 358.540,
16 [*if the application is filed*] **as in effect on the day that is immediately**
17 **before the effective date of this 2021 Act**, on or after July 1, [*2022*] **2028**.

18 **“(3) Property may not be classified and specially assessed as historic**
19 **property pursuant to an application filed under ORS 358.487 on or after**
20 **July 1, 2028.”.**

21 On page 8, delete lines 11 through 45.

22 On page 9, delete lines 1 through 24 and insert:

23 **“SECTION 7.** ORS 358.505 is amended to read:

24 *“358.505. (1)(a) Except as provided in [paragraphs (b) and (c)] paragraph*
25 **(b)** of this subsection, for property [*certified for*] **granted** special assessment
26 as historic property under ORS [*358.490*] **358.480 to 358.545**, the county
27 assessor shall [*for 10 consecutive tax years*] list on the assessment and tax roll
28 **for 10 consecutive property tax years** a specially assessed value that
29 equals the assessed value of the property [*at the time*] **on the last certified**
30 **assessment and tax roll as of the date of application** [*was made under*

1 ORS 358.487].

2 “(b) If the property [*certified for*] **granted** special assessment as historic
3 property was **otherwise** exempt or specially assessed [*at the time the*] **for**
4 **purposes of ad valorem property taxation as of the date of** application
5 [*was made*], the county assessor shall [*for 10 consecutive tax years*] list on the
6 assessment and tax roll **for 10 consecutive property tax years** a specially
7 assessed value that equals the product of the real market value of the **his-**
8 **toric** property for the **property** tax year in which the application was
9 [*made*] **received** multiplied by the ratio of the average maximum assessed
10 value over the average real market value for that **property** tax year of
11 property in the same area and property class.

12 “(c) **Work not included in the preservation plan required under ORS**
13 **358.487 (2)(a) may be assessed separately.**

14 “[*(c) If the property certified for special assessment as historic property is*
15 *a condominium unit being assessed upon initial sale by the developer, the*
16 *county assessor shall for the tax years of the remaining term of historic prop-*
17 *erty special assessment list on the assessment and tax roll a specially assessed*
18 *value that equals the product of the real market value of the property for the*
19 *tax year in which the initial sale took place multiplied by the ratio of the av-*
20 *erage maximum assessed value over the average real market value for that tax*
21 *year of property in the same area and property class.*]

22 “[*(d) For property certified under ORS 358.490 for a second term of special*
23 *assessment as historic property under ORS 358.540, the county assessor shall,*
24 *for 10 consecutive tax years after the date of the filing of the application under*
25 *ORS 358.487 for the second term, list on the assessment and tax roll a specially*
26 *assessed value that equals the real market value of the property for the as-*
27 *essment year in which the application is made.*]

28 “(2)(a) [*Notwithstanding ORS 308.149 (2),*] For the first **property** tax year
29 [*of an initial or second 10-year period of*] **for which** historic property **has**
30 **been granted** special assessment, the maximum assessed value of **the his-**

1 **toric** property [*subject to historic property special assessment*] shall equal the
2 specially assessed value of the **historic** property **determined** under sub-
3 section (1) of this section multiplied by the ratio, not greater than 1.00, of
4 the maximum assessed value the **historic** property would have had if the
5 property were not specially assessed **as historic property** over the real
6 market value of the **historic** property.

7 “(b) For each **property** tax year after the first **property** tax year during
8 which the property is [*subject to special assessment*] **specially assessed** as
9 historic property, the **historic** property’s maximum assessed value equals 103
10 percent of the property’s assessed value from the prior year or 100 percent
11 of the property’s maximum assessed value from the prior year, whichever is
12 greater.

13 “(3) The assessed value of property that is [*classified as historic property*
14 *for the*] **specially assessed as historic property for a property** tax year
15 shall equal the least of:

16 “(a) The **historic** property’s specially assessed value as determined under
17 subsection (1) of this section;

18 “(b) The **historic** property’s maximum assessed value as determined under
19 subsection (2) of this section; or

20 “(c) The **historic** property’s real market value as of the assessment date
21 for the **property** tax year.

22 “(4) The [*entitlement*] **eligibility** of **historic** property [*to the*] **for** special
23 assessment [*provisions of*] **under** this section shall be determined as of July
24 1. If the **historic** property becomes disqualified on or after July 1, its as-
25 sessment for that **property tax** year shall continue as provided in this sec-
26 tion.

27 “(5) Assessed value, as defined and determined under ORS 308.146, shall
28 be determined for property [*classified*] **specially assessed** as historic prop-
29 erty by the county assessor **for** each **property tax** year. The assessed value
30 so determined for any **property tax** year shall be subject to appeal to the

1 county board of property tax appeals within the time and in the manner
2 provided in ORS chapter 309 and shall be subject to appeal [*thereafter*] to the
3 Oregon Tax Court and to the Oregon Supreme Court within the time and in
4 the manner provided for appeals of value determination for purposes of ad
5 valorem property taxation.”.

6 On page 10, delete lines 7 through 45.

7 On page 11, delete lines 1 through 7 and insert:

8 **“SECTION 9.** ORS 358.515 is amended to read:

9 “358.515. (1) [*When*] Property **that** has [*once*] been classified and **specialy**
10 assessed as historic property [*pursuant to application filed under ORS*
11 *358.487, it*] **under ORS 358.480 to 358.545** remains classified and [*is granted*
12 *the special assessment provided by ORS 358.505*] **specialy assessed** until it
13 [*becomes*] **is** disqualified for classification and special assessment by:

14 “(a) Expiration of [*an initial or second*] **the** 10-year period of special as-
15 sessment.

16 “(b) Sale or transfer to a governmental or nonprofit entity that is exempt
17 from **ad valorem** property taxation.

18 “(c) [*The*] Destruction or [*substantial*] alteration [*of the property*] by acts
19 of nature or other events for which the owner is not responsible.

20 “[*d*] *Initial sale of a condominium as provided in ORS 358.543 (3)(b).*]

21 “[*e*] (d) Written notice by the [*taxpayer*] **owner** to the **county** assessor
22 to [*remove*] **discontinue** the special assessment.

23 “[*f*] (e) The owner’s failure to:

24 “(A) Maintain, preserve or rehabilitate the **historic** property [*or to*];

25 “(B) Comply with the expenditure commitment [*in accordance with*] **un-**
26 **der** the preservation plan **as required under ORS 358.487 (2)(a)**; or

27 “(C) **Comply with** the historic rehabilitation standards.

28 “[*g*] (f) The owner’s failure to submit required reports.

29 “[*h*] (g) Failure of the property to be listed in the National Register of
30 Historic Places either individually or as a contributing resource in a listed

1 historic district or property within two years of certification as required
2 under ORS 358.487 (4)(b).

3 “[*(i)*] **(h)** The owner’s failure to obtain[, *or the lapse of,*] **or to maintain**
4 the property insurance required under ORS 358.487 (2)(d).

5 “[*(j)*] **(i)** The owner’s demolition of the **historic** property.

6 “[*(k)*] **(j)** The owner’s [*substantial*] alteration of the **historic** property in
7 a way that does not meet the historic rehabilitation standards.

8 **“(k) The property ceases to be commercial property.**

9 **“(2)[*(a)*] When[, *for any reason,*] the **historic** property or any portion of
10 **the property** ceases to [*qualify*] **be eligible for classification and special**
11 **assessment** as historic property **for any reason**, the owner [*at the time of*
12 *change*] shall notify the **county** assessor and the State Historic Preservation
13 Officer of the change [*prior to*] **before** the next [*January 1*] assessment date.**

14 “[*(b)*] **(3)** The **State Historic Preservation Officer** [*makes*] **shall make**
15 **the final** [*determinations*] **determination** of whether historic property is
16 disqualified for special assessment under ORS 358.487 to 358.543.

17 “[*(3)*] **(4)** Except [*as provided by*] **in the circumstances described in**
18 subsection (1)(a) of this section, disqualification does not constitute com-
19 pletion of a 10-year period of special assessment [*certified under ORS*
20 *358.490*] **under ORS 358.480 to 358.545** or preclude [*a*] property’s future spe-
21 cial assessment under ORS 358.487 to 358.543.

22 “[*(4)* *The State Historic Preservation Officer shall notify the owner in*
23 *writing before July 1 of the 10th and final year for which property is certified*
24 *for special assessment under ORS 358.490 that the special assessment is due*
25 *to expire and shall outline the options available to the owner upon disquali-*
26 *fication upon expiration of an initial or second 10-year period of special as-*
27 *essment, as applicable.*]

28 **“(5)** Upon expiration [*of an initial or second*] **under subsection (1)(a) of**
29 **this section of a** 10-year period of special assessment, the State Historic
30 Preservation Officer shall notify the owner, the governing body and the

1 county assessor that the term has expired.”.

2 On page 12, line 7, delete “(j)” and insert “(k)”.

3 On page 16, line 22, delete “(4)(b)” and insert “(4)(c)”.

4 On page 25, line 1, delete “(4)(b)” and insert “(4)(c)”.

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