

SPECIAL ASSESSMENT OF HISTORIC PROPERTY PROGRAM

Fact Sheet

(Revised 7/27/05)

The Special Assessment Program is a state-sponsored incentive program instituted in 1975 to encourage the preservation and appropriate rehabilitation of properties listed on the National Register of Historic Places.

Under this program a property's assessed value is frozen for a period of 15 years. This allows the owner to restore or improve the condition of the property and not pay additional taxes on the resulting increase in the property's value until the fifteen-year benefit period has expired.

What kinds of properties are eligible for this benefit?

The tax benefit is applicable to a property listed, or soon to be listed, on the National Register of Historic Places. NOTE: Properties within National Register-listed districts must be considered contributing to the district in order to be eligible.

Is the benefit automatic once my property is listed on the National Register?

No. To receive the special assessment benefit, an owner must make a separate application through the State Historic Preservation Office (SHPO).

What is the deadline for applying?

Applications are accepted year-round. The tax benefit will always begin on July 1 of the year following the year in which the application was made.

Does it cost anything to apply?

Yes. There is a filing fee, which is 1/3 of 1% of the RMV of the property (Value x .0033). Example: \$75,000 x .0033 = \$247.50. The fee helps offset the cost of administering the program.

What does an application consist of?

The application consists of the form itself, a Preservation Plan, property tax statement, filing fee, floor and site plans, and photographs.

Do I have to pay back the taxes at the end of the benefit?

No. Tax savings accumulated during the fifteen-year period do not have to be paid back, unless the benefit is removed early.

Can I get off the tax benefit?

Yes, with consequences. An owner may request removal of the tax benefit at any time during the benefit period. Early removal requires repayment of any taxes saved, plus interest, during the period the property has been under the benefit. If a property is removed from the benefit administratively by the SHPO for non-compliance, the removal requires repayment of taxes saved, plus interest and penalties.

What part of the property does the benefit cover?

The special assessment applies to the entire property (interior and exterior), including any outbuildings that are considered historically contributing, as well as specified parcels of land under and around buildings. New construction is excluded from the benefit, whether existing or proposed.

Can I apply for the benefit more than once?

Legislation passed in 2005, becoming effective January 1, 2006, will allow for a second benefit period for owners of residential property, IF there is consent in the form of a resolution or ordinance from the local government where the property is located.

Owners of commercial property are already eligible to reapply for a second benefit period. However, in addition to a Preservation Plan, a reapplication for a commercial property must include a Renovation Plan, which is defined as a proposal detailing measures to be taken for purposes of either American with Disabilities Act compliance, seismic improvements, or energy conservation.

A second term of the tax benefit IS NOT an extension of the original benefit. An owner cannot reapply for a second term until the first benefit has expired. The assessor will readjust the assessed value upward to meet current values, and that adjusted value would be frozen for the second 15-year term.

Do my projects have to be approved by anyone else besides the SHPO?

Sometimes. Properties on the National Register may also be subject to local design review and approval processes as outlined in one's city or county preservation ordinances.

Can I have other property tax exemptions if I am under Special Assessment?

Yes. A property utilizing this benefit is also entitled to any other exemption or special assessment provided by law.

Are there any additional requirements? Yes.

- An owner is required to hold an annual open house for the public, for a minimum of 4 consecutive hours. Notification requirements are outlined in the administrative rules.
- An owner is required to purchase an identification plaque for the property. Particulars for ordering a plaque are provided through the SHPO upon approval of an application.
- Owners are required to go through prior review and approval by the SHPO for all rehabilitation work. This includes work outlined in the Preservation/Renovation Plan, as well as work outside the scope of the Plan.
- Owners are required to notify the SHPO if the property is sold anytime during the 15-year property tax benefit period.

For complete details on the program call us, e-mail us, or visit our website at www.oregonheritage.org or, contact:

Susan Haylock
Phone: 503-986-0672
E-mail: Susan.Haylock@state.or.us

Joy Sears
Phone: 503-986-0688
E-mail: Joy.Sears@state.or.us