

# **SPECIAL ASSESSMENT OF HISTORIC PROPERTY PROGRAM**

Program Information  
(Revised 5/7/2014)

## **Program Information**

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

Under this program a property's assessed value is frozen for a period of 10 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 ten-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, in the National Register of Historic Places, or that is deemed historic by the State Historic Preservation Officer. **NOTE:** Properties deemed eligible for listing by the State Historic Preservation Officer must be listed in the National Register of Historic Places within 2 years of certification in order to retain the tax benefit.

Properties within National Register-listed districts must be considered contributing to the district in order to be eligible, or otherwise become contributing as a result of rehabilitation through the required Preservation Plan.

### **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, existing or proposed, is included under the benefit if deemed compatible to the existing structure by the SHPO or the local government.

### **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.

### **Does it cost anything to apply?**

Yes. There is a filing fee, which is 1/10 of 1% of the Assessed Value of the property (Value x .001). Example: \$75,000 x .001 = \$75.00. The fee helps offset the cost of administering the program.

### **What does an application consist of?**

The application submittal should contain the application/certification form, the Preservation Plan form, a current property tax statement, non-refundable filing fee, proof of insurance, floor and site plans, and current color photographs of each elevation of each building situated on the property, interior photos of any significant historic features, and close-up or detail views showing problem areas.

### **What is a Preservation Plan?**

A Preservation Plan is an outline of rehabilitation, preservation, and maintenance projects an owner is planning to perform on the property during the 10-year term.

Rehabilitation that has been completed within two years prior to making an application may qualify an owner for the tax benefit if the SHPO determines that said rehabilitation meets the Secretary of the Interior's Standards for Rehabilitation.

For 2nd term applications the Preservation Plan must contain a project or projects that bring the property into ADA compliance, or that improve seismic stability, energy conservation, or sustainability.

An owner may, from time to time, request amendments to their original Preservation Plan. Those requests will be reviewed by the SHPO staff for approval or denial.

**What is the deadline for applying?**

Applications are accepted year-round. For those who apply between January 1 and March 31 of any given year the tax benefit will begin July 1 of that year. For those who apply between April 1 and December 31 of any given year the tax benefit will begin July 1 of the following year.

**Can I get advice on whether or not I would qualify for the program?**

Yes. SHPO staff offers pre-application conferences and/or site visits where potential applicants can present their proposals and get advice on treatment options. Depending on the complexity of the project(s), it may be helpful to have architects, engineers, or other professionals present in addition to the owner(s).

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

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

**Do I have to pay back taxes if I sell my property?**

No. Sale or transfer does not trigger repayment of taxes. This also applies in the case of destruction of the property by acts of nature, and initial sale of a condominium.

**Can I get off the tax benefit if I want to?**

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 and possible penalties.

**Can I lose my benefit, and what are the consequences?**

Yes. If an owner does not follow the program requirements, lets the property deteriorate, performs an unapproved project that compromises the historic integrity of the property, or creates an adverse effect the property could be removed from the benefit by the SHPO. If that occurs the owner is liable for all back taxes, interest, and a 15% penalty.

**Can I apply for the benefit more than once?**

Owners of commercial property are automatically eligible to apply for a second term. Residential property owner's are only eligible to reapply if there has been NO ordinance or resolution passed by their local government prohibiting reapplication. (Check with the SHPO office, or your local government for verification.)

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. The real market value at time of re-application becomes the new "frozen" value.

The only eligible projects in a Preservation Plan for a second term are those that promote American with Disabilities Act compliance, or that will result in seismic, energy conservation, or sustainable improvements. **The Plan must contain a schedule of dates projects will begin and end.**

**Who do I go to for approval of projects?**

If the property is subject to local historic preservation ordinances, then the local government would have approval authority if they so choose. If not subject to local preservation ordinances, or the local government chooses not to exercise project approval authority, the SHPO would have approval authority. This review and approval process applies to all projects, within or outside the scope of the original Preservation Plan. It is advisable to call the SHPO to determine if a potential project will need review and approval.

**If I don't agree with a determination made by the SHPO or my local government, can I do anything about it?**

Yes. Any decision made by the SHPO can be appealed to the Historic Assessment Review Committee. Any decision made by a local government can be appealed through their local process.

**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 affix an identification plaque on the property. Plaques are provided by the SHPO.
- An owner is required to show proof that property is insured in an amount equal to the replacement value.
- An owner is required to go through prior review and approval for all rehabilitation work. This includes work outlined in the Preservation Plan, as well as work outside the scope of the Plan.
- An owner will be asked to provide an updated report on their Preservation Plan in the 3rd, 6<sup>th</sup>, and 9<sup>th</sup> year of the benefit.
- **By the end of the 5<sup>th</sup> year on the program, an owner must expend, at a minimum, 10% of the RMV in rehabilitation projects. The value of donated materials, labor, or services may be included in that expenditure. If an owner meets that goal prior to the 5<sup>th</sup> year they may provide that information early.**
- An owner is required to notify the SHPO if the property is sold anytime during the ten-year property tax benefit period.

For additional information or questions contact: Joy Sears, Restoration Specialist, at 503-986-0688, or [Joy.Sears@oregon.gov](mailto:Joy.Sears@oregon.gov)

Or go the Special Assessment web page

**[http://egov.oregon.gov/OPRD/HCD/SHPO/tax\\_assessment.shtml](http://egov.oregon.gov/OPRD/HCD/SHPO/tax_assessment.shtml)**