

SPECIAL ASSESSMENT OF HISTORIC PROPERTY PROGRAM

Frequently Asked Questions (Revised 2/5/2015)

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 is specially assessed for a period of ten 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 two 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.

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

No. The National Register designation and Special Assessment are separate programs. To receive the special assessment benefit, an owner must submit a preservation plan for review and approval by the SHPO and local jurisdiction. And the property is not delisted when the benefit ends.

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.

What are the program requirements for the Special Assessment program?

- An owner must provide a progress report on their Preservation Plan in the 3rd, 6th, and 9th years of the benefit. By the end of the 5th year on the program, an owner must expend, at a minimum, 10% of the property's Real Market Value in rehabilitation projects to remain in the program. The value of donated materials, labor, or services may be included in that expenditure.
- 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 the property is insured.
- An owner is required to notify the SHPO if the property is sold anytime during the ten-year property tax benefit period.

What does an application consist of?

The application submittal must contain the application form, the draft Preservation Plan form, a current property tax statement, proof of insurance, floor plan sketch and site plan, and current, clear, good quality-color photographs of each façade of each building situated on the property, interior photos including 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 and maintenance projects an owner is planning to perform on the property during the ten-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 the rehabilitation meets the Secretary of the Interior's Standards for Rehabilitation --

<http://www.cr.nps.gov/tps/standards/rehabilitation/rehab/index.htm>.

For second 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 cost of the application?

Yes. Once the application is approved a filing fee is requested. The fee is 1/10 of 1% of the Assessed Value of the property (Value x.001). Example: \$75,000 x .001 = \$75.00.

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. The benefit stays with the building, not the owner. In cases of destruction by acts of nature or the initial sale of a condominium this also applies

Can I be removed from the tax benefit program?

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. Also if an owner does not follow the program requirements, lets the property

deteriorate, performs an unapproved project that compromises the historic character of the property 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.

Important reminder

A second term of the tax benefit IS NOT an extension of the original benefit. The assessor will readjust the assessed value upward to meet current values when the first term ends. For second term makes the real market value at time of application to become 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 Preservation Plan must contain a schedule indicating the dates that projects will begin and end.

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. Taking advantage of this element does not prevent an individual from participating in any other exemption or special assessment provided by law.

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

Or go the Special Assessment web page

http://egov.oregon.gov/OPRD/HCD/SHPO/tax_assessment.shtml