

## **HB 3848 STAFF MEASURE SUMMARY**

### **House Committee On Housing and Homelessness**

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**Meeting Dates:** 3/19

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#### **WHAT THE MEASURE DOES:**

The measure prohibits the use of residential property that has been classified and assessed as historic property to be used as a vacation occupancy unless the property is the property owner's primary residence. It requires owner's written agreement to comply with the limitations on use of the property as a vacation occupancy as part of an application for classification and special assessment for the property to the State Historic Preservation Officer. The measure also disqualifies property for classification and special assessment if the owner uses the property as a vacation occupancy and the property is not the owner's primary residence.

*Fiscal impact: May have fiscal impact, but no statement yet issued*

*Revenue impact: May have revenue impact, but no statement yet issued*

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

No amendment.

##### **BACKGROUND:**

ORS 358.487 is part of Oregon's Special Assessment for Historic Property Program, which provides a tax incentive to encourage the preservation of historic buildings. This program allows qualifying residential and commercial properties to receive a 15-year special assessment that effectively freezes their assessed value, reducing potential property tax increases. The property must be designated as historic by the State Historic Preservation Office (SHPO) and meet certain preservation standards. It must be listed in the National Register of Historic Places or meet equivalent criteria for local historic designation. Owners must agree to preservation commitments, ensuring that modifications maintain the building's historic integrity. Significant changes or renovations must be reviewed and approved by SHPO. Once the 15-year special assessment period ends, the property will be reassessed at its full market value. Owners may apply for a second 15-year term, but approval depends on continued adherence to preservation standards and additional review.

ORS 358.515 outlines the conditions under which a property's historic special assessment status (granted under ORS 358.487) can be terminated before the 15-year period expires. This statute ensures that property owners comply with historic preservation requirements and provides a mechanism for ending the tax benefit if the property no longer qualifies. A property owner can request removal from the historic special assessment program before the 15-year term ends. However, if they withdraw early, they must pay back additional property taxes as a penalty. The State Historic Preservation Officer (SHPO) or local governing body can terminate a property's historic designation if the owner fails to comply with preservation requirements. Grounds for termination include unauthorized alterations that diminish the property's historic character; neglect or deterioration that compromises the building's integrity; or failure to meet the program's maintenance and reporting requirements.