

# House Bill 3848

Sponsored by Representative ANDERSEN

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act bans short term rentals for historic properties except for home shares. (Flesch Readability Score: 69.9).

Prohibits the use of assessed historic property as a vacation occupancy unless the property is the owner's primary residence.

## A BILL FOR AN ACT

1  
2 Relating to vacation occupancies in historic properties; creating new provisions; and amending ORS  
3 358.487, 358.515 and 358.525.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 197.**

6 **SECTION 2. Residential property that has been classified and assessed as historic prop-**  
7 **erty under ORS 358.487 may not be used as a vacation occupancy, as defined in ORS 90.100,**  
8 **unless the property is the property owner's primary residence.**

9 **SECTION 3. ORS 358.487 is amended to read:**

10 358.487. (1) An owner of historic property desiring classification and special assessment under  
11 ORS 358.487 to 358.543 for the property shall apply to the State Historic Preservation Officer on  
12 forms approved by the officer.

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

14 (a) A preservation plan as defined in ORS 358.480. The preservation plan must commit the ap-  
15 plicant to expend, within the first five years for which historic property special assessment is  
16 granted, an amount not less than 10 percent of the historic property's real market value determined  
17 as of the assessment date for the first tax year to which the historic property special assessment  
18 applies. The focus of the preservation plan must be on exterior features, especially those visible from  
19 a public way, and structural members of the property. The treatment of significant interior features,  
20 as determined by the State Historic Preservation Officer, may also be included in the plan, but un-  
21 less specifically required by the officer, work in bathrooms, kitchens, basements and attics is not  
22 included in the preservation plan. Work proposed in the plan must meet the historic rehabilitation  
23 standards.

24 (b) Payment of an application fee equal to:

25 (A) One-tenth of one percent of the assessed value of the property, as of the assessment date,  
26 for the year in which application is made; or

27 (B) For property that does not have an assessed value, one-tenth of one percent of the product  
28 of the real market value of the property for the tax year in which the application is made multiplied  
29 by the ratio of the average maximum assessed value over the average real market value for that tax  
30 year of property in the same area and property class.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) A copy of the property's current tax statement.

2 (d) Proof that the owner has property insurance on the property in an amount equal to the re-  
3 placement value of the property.

4 (e) The written consent of the owner to the viewing of the property by the State Historic Pres-  
5 ervation Officer.

6 **(f) The owner's written agreement to comply with the limitations on use of the property**  
7 **as a vacation occupancy, as provided under section 2 of this 2025 Act.**

8 (3) The application must be made before April 1 of the assessment year for which classification  
9 and special assessment as historic property are desired.

10 (4)(a) Property must be classified as historic property in order to be certified for historic prop-  
11 erty special assessment.

12 (b) Notwithstanding paragraph (a) of this subsection, property may be certified for historic  
13 property special assessment upon a determination of eligibility by the State Historic Preservation  
14 Officer under ORS 358.480 (11)(b) or (c). Property certified under this paragraph must become listed  
15 in the National Register of Historic Places within two years of certification under ORS 358.490.

16 (5) Classification and special assessment pursuant to an application made under this section are  
17 granted for 10 consecutive property tax years, starting in the tax year beginning on July 1 of the  
18 assessment year described in subsection (3) of this section.

19 (6) The application fee required under subsection (2) of this section shall be deposited in the  
20 State Parks and Recreation Department Fund for use by the State Parks and Recreation Director  
21 or for transfer to the Oregon Property Management Account established under ORS 358.680 to  
22 358.690, upon the advice of the State Advisory Committee on Historic Preservation. The application  
23 fee becomes nonrefundable after certification as described in ORS 358.495.

24 **SECTION 4.** ORS 358.515 is amended to read:

25 358.515. (1) When property has once been classified and assessed as historic property pursuant  
26 to application filed under ORS 358.487, it remains classified and is granted the special assessment  
27 provided by ORS 358.505 until it becomes disqualified for classification and special assessment by:

28 (a) Expiration of an initial or second 10-year period of special assessment.

29 (b) Sale or transfer to a governmental or nonprofit entity that is exempt from property taxation.

30 (c) The destruction or substantial alteration of the property by acts of nature or other events  
31 for which the owner is not responsible.

32 (d) Initial sale of a condominium as provided in ORS 358.543 (3)(b).

33 (e) Written notice by the taxpayer to the assessor to remove the special assessment.

34 (f) The owner's failure to maintain, preserve or rehabilitate the property or to comply with the  
35 expenditure commitment in accordance with the preservation plan or the historic rehabilitation  
36 standards.

37 (g) The owner's failure to submit required reports.

38 (h) Failure of the property to be listed in the National Register of Historic Places either indi-  
39 vidually or as a contributing resource in a listed historic district or property within two years of  
40 certification as required under ORS 358.487 (4)(b).

41 (i) The owner's failure to obtain, or the lapse of, the property insurance required under ORS  
42 358.487 (2)(d).

43 (j) The owner's demolition of the property.

44 (k) The owner's substantial alteration of the property in a way that does not meet the historic  
45 rehabilitation standards.

1           **(L) The owner’s use of the property as a vacation occupancy as prohibited under section**  
 2           **2 of this 2025 Act.**

3           (2)(a) When, for any reason, the property or any portion ceases to qualify as historic property,  
 4 the owner at the time of change shall notify the assessor and the State Historic Preservation Officer  
 5 of the change prior to the next January 1 assessment date.

6           (b) The officer makes final determinations of whether historic property is disqualified for special  
 7 assessment under ORS 358.487 to 358.543.

8           (3) Except as provided by subsection (1)(a) of this section, disqualification does not constitute  
 9 completion of a 10-year period of special assessment certified under ORS 358.490 or preclude a  
 10 property’s future special assessment under ORS 358.487 to 358.543.

11           (4) The State Historic Preservation Officer shall notify the owner in writing before July 1 of the  
 12 10th and final year for which property is certified for special assessment under ORS 358.490 that the  
 13 special assessment is due to expire and shall outline the options available to the owner upon dis-  
 14 qualification upon expiration of an initial or second 10-year period of special assessment, as appli-  
 15 cable.

16           (5) Upon expiration of an initial or second 10-year period of special assessment, the State His-  
 17 toric Preservation Officer shall notify the owner, the governing body and the county assessor that  
 18 the term has expired.

19           **SECTION 5.** ORS 358.525 is amended to read:

20           358.525. (1) Except as provided in subsection (4) of this section, whenever property that has re-  
 21 ceived special assessment as historic property under ORS 358.487 to 358.543 becomes disqualified for  
 22 assessment as provided in ORS 358.515, there is added to the tax extended against the property on  
 23 the next general property tax roll, to be collected and distributed in the same manner as the re-  
 24 mainder of real property tax:

25           (a) Additional taxes equal to the difference between the taxes assessed against the property and  
 26 the taxes that would otherwise have been assessed against the property for each of the last 10 years  
 27 (or a lesser number of years corresponding to the years of assessment as historic property applicable  
 28 to the property) as of January 1 of the assessment year for which the property was disqualified for  
 29 special assessment;

30           (b) An amount equal to the sum of the interest on each year’s additional taxes computed under  
 31 ORS 311.505 from November 15 of the tax year for which back taxes are being added to July 1 of  
 32 the tax year of disqualification; and

33           (c) A penalty in the amount of 15 percent of the amount computed under paragraph (a) of this  
 34 subsection.

35           (2) Whenever property that has received special assessment as historic property under ORS  
 36 358.505 becomes disqualified for assessment and the notice required by ORS 358.515 (2) is not given,  
 37 the assessor shall determine the date that the notice should have been given, shall notify the owner  
 38 thereof and, notwithstanding ORS 311.235, there shall be added to the tax extended against the  
 39 property on the next general property tax roll, to be collected and distributed in the same manner  
 40 as the remainder of the real property tax, in full payment of all taxes and penalties accruing from  
 41 the disqualification, the sum of the following:

42           (a) Additional taxes equal to the difference between the total amount of taxes that would have  
 43 been due on the property for each year, not to exceed the last 10 years, in which special assessment  
 44 under ORS 358.505 was in effect for the property (even though erroneously) and the taxes that would  
 45 have been due had special assessment not been in effect;

1 (b) An amount equal to the sum of the interest on each year's additional taxes computed under  
2 ORS 311.505 from November 15 of the tax year for which additional taxes are being added to July  
3 1 of the tax year of disqualification; and

4 (c) An additional penalty of 15 percent of the amount in paragraph (a) of this subsection.

5 (3) Prior to adding to the tax extended against the property on the next general property tax  
6 roll any additional amount imposed by subsection (1) or (2) of this section, in the case of disquali-  
7 fication pursuant to ORS 358.515 (1)(f) to [(k)] (L), the assessor shall notify the owner of the property  
8 by mail, return receipt requested, of the disqualification.

9 (4) Additional tax or penalty may not be imposed under subsection (1) or (2) of this section in  
10 the case of property disqualified pursuant to:

11 (a) ORS 358.515 (1)(a), (b), (c) or (d); or

12 (b) ORS 358.515 (1)(e) if the written notice is accompanied by proof that the owner has complied  
13 with the expenditure commitment under the preservation plan as described in ORS 358.487 (2)(a).

14 (5) The amount determined to be due under subsection (1) or (2) of this section may be paid to  
15 the tax collector prior to the completion of the next general property tax roll, pursuant to ORS  
16 311.370.

17 (6) Additional taxes collected under this section shall be deemed to have been imposed in the  
18 year to which the additional taxes relate.

19 **SECTION 6. Section 2 of this 2025 Act and the amendments to ORS 358.515 by section 4**  
20 **of this 2025 Act apply to properties classified under ORS 358.487 before, on or after the ef-**  
21 **fective date of this 2025 Act.**

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