

ADVISORY TO BUYER: HISTORIC PROPERTY

1 For a property to be designated “historic,” it must meet specific qualifying criteria under state, federal, and local statutes or ordinances. The
2 following is a limited and incomplete summary of special assessment programs and local designations for historic properties. Any special
3 assessment benefit is not automatically available to a historic property but may be acquired through a specific application. This Advisory is only a
4 summary and should not be relied upon to the exclusion of other reliable sources. Before Closing, Buyer should check with the appropriate state or
5 local officials and review all available records and information regarding Seller’s participation or Buyer’s intended participation in historic tax benefit
6 programs or historic designation. If the Property is currently subject to a historic designation or certification, Seller agrees to provide Buyer with all
7 available records in Seller’s possession or control within the time frames outlined in the accompanying Historic Property Addendum.

8 Seller’s and Buyer’s Agents are not experts in historic properties or the Oregon Special Assessment of Historic Properties program.

9 **WARNING:** Historic properties have special tax consequences. If Buyer and Seller do not understand these consequences, they are advised to
10 seek competent legal or accounting advice.

11 If Buyer is purchasing the Property either because it is qualified as a historic property or Buyer desires classification as a historic property, the
12 following are some (not necessarily all) important issues for consideration:

- 13 • Some municipalities have historic designations for property, including, but not limited to, designated historic districts. If applicable, this
14 may include restrictions on the use, building, or improvement of the Property, as well as limitations on construction, remodeling, or other
15 changes.
- 16 • An owner of historic property desiring special assessment is required to apply to the State Historic Preservation Officer. The application
17 must include a preservation plan committing the owner, within the first five (5) years, to expend an amount not less than ten percent
18 (10%) of the historic property’s real market value.
- 19 • The preservation plan must focus on exterior features, especially those visible from a public right-of-way. The treatment of significant
20 interior features may be included in the plan, but unless specifically required, work in bathrooms, kitchens, basements, and attics are not
21 included in the preservation plan. Any work proposed in the preservation plan must meet the historic rehabilitation standards.
- 22 • The application fee may be up to one-tenth of one percent of the assessed value of the Property.
- 23 • The owner must provide proof of casualty insurance up to the replacement value of the Property.
- 24 • The application for special assessment must be made before April 1st of the assessment year for which special assessment is sought.
- 25 • A property must be designated as “Historic Property” under Oregon law to be certified for a special assessment. For an owner to receive
26 or retain special assessment benefits, the owner may be required to provide progress reports, allow on-site inspections and work
27 applications.
- 28 • The Property must also be listed in the National Register of Historic Places within two (2) years of certification.
- 29 • A special assessment is granted for a period of ten (10) consecutive property tax years, starting with the tax year on July 1st of the first
30 assessment year. After the conclusion of the first ten (10) year period, an application may be made for a second term. If granted, the
31 second term will have different requirements for the work.

32 For more information, go to www.oregonheritage.org

33 **ACKNOWLEDGMENT:** The undersigned Buyer(s) acknowledge they:

- 34 1. have read and understand this Advisory,
- 35 2. have been provided with a copy for their own files; and
- 36 3. are aware the use of one or more experts is recommended before entering a binding transaction for the purchase of a historic property.

37 Buyer _____ Date _____ a.m. _____ p.m. ←

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