

NOTE: This is the presented and final version of Senate Bill 26-005 as presented to the Governor for approval. No gubernatorial action has been recorded at this time.

An Act

SENATE BILL 26-005

BY SENATOR(S) Katelyn Garcia, Monica Kent
also REPRESENTATIVE(S) Roselyn Medrano, Brooklynn
Suarez

CONCERNING INCENTIVES FOR THE PRESERVATION AND
MAINTENANCE OF HISTORIC PROPERTIES, AND, IN
CONNECTION THEREWITH, PROVIDING TAX BENEFITS, A
TIERED HOMESTEAD-STYLE EXEMPTION, ASSESSMENT
PROTECTIONS, AND GRANTS TO PROPERTY OWNERS.

*Be it Enacted by the General Assembly of the State of San
Andreas:*

In the San Andreas Revised Statutes, **ADD** section 39-15-362 as
follows:

SECTION 1. SHORT TITLE. This act shall be referred to
as the “Historic Property Preservation Incentive Act.”

SECTION 2. LEGISLATIVE DECLARATION. The
general assembly hereby finds and declares that: (a) Historic
properties are an essential part of the state’s cultural heritage and
economic vitality; (b) The preservation of such properties
promotes tourism, community identity, and sustainable land use;
(c) The cost of maintaining historic properties, particularly for
owner-occupants and seniors on fixed incomes, can be substantial;

(d) Targeted tax relief and financial incentives can ensure the continued preservation of historic resources; and (e) It is therefore necessary to establish a comprehensive system of incentives to support historic property owners.

SECTION 3. DEFINITIONS. For the purposes of this act, unless the context otherwise requires: (a) “Historic property” means any building, structure, or site that is: (I) Listed on the State Register of Historic Properties; or (II) Designated as a historic landmark by a local government. (b) “Qualified rehabilitation” means repairs, alterations, or improvements that: (I) Preserve the historic character of the property; and (II) Comply with standards established by the state historical society. (c) “Owner-occupied historic property” means a historic property that serves as the primary residence of the owner for at least six months of each calendar year. (d) “Qualified senior” means a property owner who: (I) Is sixty-five years of age or older; and (II) Has occupied the property as a primary residence for at least seven consecutive years. (e) “Household income” means the combined income of all persons residing in the residence, as determined by rule.

SECTION 4. PROPERTY TAX CREDIT FOR REHABILITATION. (a) An owner of a historic property who completes a qualified rehabilitation is eligible for a property tax credit. (b) the credit shall be equal to fifteen percent of qualified rehabilitation expenses, not to exceed twenty-five thousand dollars per property over a ten-year period. (c) The credit may be carried forward for up to ten years. (d) To qualify, the owner shall demonstrate maintenance of the property in accordance with preservation standards for at least five years following completion. (e) Recapture Provision. If a property receiving benefits under this act is demolished or altered in a manner that destroys its historic character within ten years of receiving such benefits, the owner shall be liable for the repayment of all tax credits, exemptions, and grants received, plus interest at the statutory rate.

SECTION 5. TIERED HISTORIC HOMESTEAD EXEMPTION. (a) For property tax purposes, an owner-occupied

historic property is eligible for an exemption from taxation based on the following tiers: (I) Standard Tier: sixty thousand dollars of actual value exempted for all qualifying properties. (II) Moderate-Income Tier: Seventy-five thousand dollars of actual value exempted if household income is below one hundred percent of the area median income. (III) Low-Income or Rural Tier: One hundred thousand dollars of actual value exempted if: (A) Household income is below eighty percent of the area median income; or (B) The property is located in a rural or underserved area as defined by rule. (b) An owner must: (I) Occupy the property as a primary residence; (II) Maintain the property in accordance with preservation standards; and (III) Apply and provide income verification as required. (c) The exemption shall be in addition to any other homestead exemption; however, total exemptions shall not exceed fifty percent of the property's actual value. (d) The department shall annually adjust income thresholds based on updated area median income data.

SECTION 6. SENIOR HISTORIC PROPERTY TAX

FREEZE. (a) The assessed value of a historic property owned and occupied by a qualified senior shall be frozen at the level established in the first year the owner qualifies. (b) The freeze shall remain in effect so long as the owner: (I) Continues to occupy the property as a primary residence; and (II) Maintains compliance with preservation standards. (c) The freeze shall transfer to a surviving spouse who is at least fifty-five years of age and continues to occupy the property. (d) The freeze shall not apply to: (I) New construction or additions that increase the footprint of the building; or (II) Improvements not related to historic preservation. For the purposes of this subsection, 'improvements' shall not include the installation of energy-efficient windows or doors that match the historic aesthetic. (e) A property receiving a freeze shall remain eligible for the exemption under section 5; however, the frozen value shall be applied prior to calculating any exemption.

SECTION 7. ASSESSMENT LIMITATION. The assessed value of a historic property may not increase by more than three percent annually as a direct result of qualified rehabilitation. this

limitation expires five years after the completion of the rehabilitation.

SECTION 8. HISTORIC PRESERVATION GRANT PROGRAM. (a) There is created in the department of local affairs the historic preservation grant program. (b) The program shall provide grants for qualified rehabilitation of historic properties. (c) Grants shall not exceed seventy-five thousand dollars per project and shall require a minimum twenty-five percent matching contribution. (d) Priority shall be given to properties at risk of deterioration that serve a clear public or community purpose.

SECTION 9. MAINTENANCE AND COMPLIANCE. (a) An owner receiving benefits under this act shall maintain the property in good condition consistent with preservation standards. (b) Failure to comply may result in: (I) Revocation of benefits; and (II) Repayment of any tax credits or grant funds received.

SECTION 10. RULEMAKING AUTHORITY. The state historic preservation office, and the department of revenue shall promulgate rules necessary to implement this act.

SECTION 11. SEVERABILITY. If any provision of this act is held invalid, such invalidity does not affect other provisions.

SECTION 12. EFFECTIVE DATE. Act subject to petition – effective date. This act takes effect on August 18, 2026, and shall apply to property tax years commencing on or after said date, assuming the general assembly adjourns sine die on May 18, 2026; except that, if a veto petition is filed pursuant to Article II, Section 15 of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Brooklynn Suarez
SPEAKER OF THE HOUSE OF
REPRESENTATIVES

Benjamin Harrison
PRESIDENT OF THE
SENATE

Gabriella Spears
CLERK OF THE HOUSE OF
REPRESENTATIVES

Estella Newman
SECRETARY OF THE
SENATE

APPROVED:

(Date and Time)

Isabel R. Payne
GOVERNOR OF THE STATE OF SAN
ANDREAS