

**First Regular Session
Seventy-Seventh General Assembly
STATE OF SAN ANDREAS**

INTRODUCED

LLS NO. 26-0742.01 Ava Sanchez x3824

SENATE BILL 26-005

SENATE SPONSORSHIP

Garcia, Kent

HOUSE SPONSORSHIP

Medrano, Suarez

House Committees

Not assigned

Senate Committees

Not assigned

A BILL FOR AN ACT

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.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <https://saleg.uscgov.com>)

This bill establishes a comprehensive set of financial incentives to support the preservation, rehabilitation, and long-term maintenance of historic properties across the state. This bill creates a property tax credit equal to twenty-five percent of qualified

Shading denotes HOUSE amendment. Underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

rehabilitation expenses, establishes a grant program to assist with preservation costs, and provides protections against increased property tax assessments resulting from approved rehabilitation work. These measures are intended to reduce the financial burden associated with maintaining historic properties while encouraging investment in culturally and architecturally significant structures.

The bill also creates a tiered homestead-style property tax exemption for owner-occupied historic properties, with increased benefits for low- and moderate-income households and properties located in rural or underserved areas. In addition, the bill establishes a property tax assessment freeze for qualifying seniors who have long occupied historic homes, ensuring stability for residents on fixed incomes. Together, these provisions promote equitable access to preservation incentives, support long-term homeownership, and help ensure that historic properties are maintained for future generations.

1 ***Be it enacted by the General Assembly of the State of San***
2 ***Andreas:***
3 **SECTION 1. SHORT TITLE.** This act shall be known and may
4 be cited as the “Historic Property Preservation Incentive Act.”
5 **SECTION 2. LEGISLATIVE DECLARATION.** The general
6 assembly hereby finds and declares that: (a) Historic properties
7 are an essential part of the state’s cultural heritage and economic
8 vitality; (b) The preservation of such properties promotes tourism,
9 community identity, and sustainable land use; (c) The cost of
10 maintaining historic properties, particularly for owner-occupants
11 and seniors on fixed incomes, can be substantial; (d) Targeted tax
12 relief and financial incentives can ensure the continued
13 preservation of historic resources; and (e) It is therefore necessary
14 to establish a comprehensive system of incentives to support
15 historic property owners. **SECTION 3. DEFINITIONS.** For the
16 purposes of this act, unless the context otherwise requires: (a)
17 “Historic property” means any building, structure, or site that is:
18 (I) Listed on the State Register of Historic Properties; or (II)
19 Designated as a historic landmark by a local government. (b)

1 “Qualified rehabilitation” means repairs, alterations, or
2 improvements that: (I) Preserve the historic character of the
3 property; and (II) Comply with standards established by the state
4 historic preservation office. (c) “Owner-occupied historic
5 property” means a historic property that serves as the primary
6 residence of the owner for at least nine months of each calendar
7 year. (d) “Qualified senior” means a property owner who: (I) Is
8 sixty-five years of age or older; and (II) Has occupied the property
9 as a primary residence for at least ten consecutive years. (e)
10 “Household income” means the combined income of all persons
11 residing in the residence, as determined by rule. **SECTION 4.**
12 **PROPERTY TAX CREDIT FOR REHABILITATION.** (a) An
13 owner of a historic property who completes a qualified
14 rehabilitation is eligible for a property tax credit. (b) The credit
15 shall be equal to twenty-five percent of qualified rehabilitation
16 expenses, not to exceed fifty thousand dollars per property over a
17 five-year period. (c) The credit may be carried forward for up to
18 five years. (d) To qualify, the owner shall maintain the property in
19 accordance with preservation standards for at least five years
20 following completion. **SECTION 5. TIERED HISTORIC**
21 **HOMESTEAD EXEMPTION.** (a) For property tax purposes, an
22 owner-occupied historic property is eligible for an exemption
23 from taxation based on the following tiers: (I) Standard Tier: Fifty
24 thousand dollars of actual value exempted for all qualifying
25 properties. (II) Moderate-Income Tier: Seventy-five thousand
26 dollars of actual value exempted if household income is below
27 one hundred twenty percent of the area median income. (III)
28 Low-Income or Rural Tier: One hundred thousand dollars of
29 actual value exempted if: (A) Household income is below eighty
30 percent of the area median income; or (B) The property is located
31 in a rural or underserved area as defined by rule. (b) An owner
32 must: (I) Occupy the property as a primary residence; (II)
33 Maintain the property in accordance with preservation standards;

1 and (III) Apply and provide income verification as required. (c)
2 The exemption shall be in addition to any other homestead
3 exemption; however, total exemptions shall not exceed fifty
4 percent of the property's actual value. (d) The department shall
5 annually adjust income thresholds based on updated area median
6 income data. **SECTION 6. SENIOR HISTORIC PROPERTY**
7 **TAX FREEZE.** (a) The assessed value of a historic property
8 owned and occupied by a qualified senior shall be frozen at the
9 level established in the first year the owner qualifies. (b) The
10 freeze shall remain in effect so long as the owner: (I) Continues to
11 occupy the property as a primary residence; and (II) Maintains
12 compliance with preservation standards. (c) The freeze shall
13 transfer to a surviving spouse who is at least sixty years of age
14 and continues to occupy the property. (d) The freeze shall not
15 apply to: (I) New construction or additions that increase square
16 footage; or (II) Improvements not related to historic preservation.
17 (e) A property receiving a freeze shall remain eligible for the
18 exemption under section 5; however, the frozen value shall be
19 applied prior to calculating any exemption. **SECTION 7.**
20 **ASSESSMENT PROTECTION FOR REHABILITATION.** (a)
21 The assessed value of a historic property shall not increase as a
22 direct result of qualified rehabilitation for a period of ten years.
23 (b) This section does not apply to additions or non-preservation
24 improvements. **SECTION 8. HISTORIC PRESERVATION**
25 **GRANT PROGRAM.** (a) There is created in the department of
26 local affairs the historic preservation grant program. (b) The
27 program shall provide grants for qualified rehabilitation of
28 historic properties. (c) Grants shall not exceed one hundred
29 thousand dollars per project and shall require a minimum twenty
30 percent matching contribution. (d) Priority shall be given to
31 properties at risk of deterioration, properties of significant public
32 visibility, and properties located in rural or underserved
33 communities. **SECTION 9. MAINTENANCE AND**

1 COMPLIANCE. (a) An owner receiving benefits under this act
2 shall maintain the property in good condition consistent with
3 preservation standards. (b) Failure to comply may result in: (I)
4 Revocation of benefits; and (II) Repayment of any tax credits or
5 grant funds received. **SECTION 10. RULEMAKING**
6 **AUTHORITY.** The state historic preservation office shall
7 promulgate rules necessary to implement this act. **SECTION 11.**
8 **SEVERABILITY.** If any provision of this act is held invalid, such
9 invalidity does not affect other provisions. **SECTION 12.**
10 **EFFECTIVE DATE.** Act subject to petition – effective date. This
11 act takes effect on August 18, 2026, assuming the general
12 assembly adjourns sine die on May 18, 2026; except that, if a veto
13 petition is filed pursuant to Article II, Section 15 of the state
14 constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take
16 effect unless approved by the people at the general election to be
17 held in November 2026 and, in such case, will take effect on the
18 date of the official declaration of the vote thereon by the governor.