

RESOLUTION NO. 1690

RESOLUTION APPROVING EXEMPTION FROM TAXATION OF IMPROVEMENTS TO COMMERCIAL AND RESIDENTIAL BUILDINGS

WHEREAS, The City of Valley City desires to encourage the construction of improvements to commercial and residential buildings and structures within the City of Valley City; and

WHEREAS, Chapter 57-02.2 of the North Dakota Century Code (NDCC), as amended, allows for the exemption from taxation for such improvements if the City of Valley City adopts a resolution to such effect.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF VALLEY CITY, BARNES COUNTY, NORTH DAKOTA as provided by Chapter 57-02.1 of the North Dakota Century Code, as amended, that the City of Valley City does hereby approve and authorize an exemption from taxation for the construction of improvements to commercial and residential buildings and structures within the City of Valley City subject to all of the conditions, definitions and procedures set forth in Chapter 57-02.2 of the North Dakota Century Code, whether or not restated herein, and further subject to the following conditions and clarifications:

1. Improvement is as defined by Section 57-03.2-02 of the NDCC and means the renovation, remodeling, alteration or addition to an existing building or structure for use for commercial or residential purposes, but shall not include a separate structure that is not attached to the existing building.
2. Definitions:
 - a. Renovation – Restoring to a previous condition or to a good state of repair.
 - b. Remodeling – Changing the plan, form or style of a building, to correct functional deficiencies.
 - c. Alteration – Changing, modifying or varying; changing materially.
 - d. Addition – A structure attached to an existing building to increase its size.
3. Buildings eligible for exemption:
 - a. Residential building – Must be twenty-five (25) years or older on the

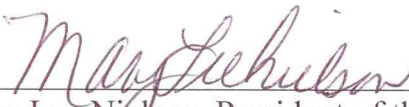
- assessment date to qualify for the exemption.
- b. Commercial buildings – A commercial building qualifies for the exemption regardless of the age of the building.
 - c. Renovation, remodeling or alteration of a commercial building into an apartment or residential building – The commercial building must be twenty-five (25) years or older on the assessment date to qualify for an exemption.
4. Improvements may be exempt from assessment and taxation for up to five (5) years from the date of commencement of making the improvements, as determined by the City Commission on each application.
 5. The exemption shall apply only to that part of the assessed valuation resulting from the improvements which is over and above the assessed valuation, exclusive of the land, placed on the building or structure for the last assessment period immediately preceding the date of commencement of the improvements.
 6. In order to qualify for the exemption provided for herein, the completed improvement must add a minimum of the lesser of \$25,000 or 25% of the pre-improvement assessed value of the building. The maximum increased assessed value of the building eligible for the exemption is \$250,000.
 7. An applicant shall file with the City Assessor a certificate setting out facts upon which the claim for exemption is based, which shall include valid permits, or in the case of a long term project, approval for permits for each aspect of the work from the building inspector.
 8. To be eligible for the exemption, construction of an improvement must not have begun before approval is given by the City Commission.
 9. To be eligible for the exemption, the special assessments and taxes on the property to be improved and on any other property owned by the applicant or an entity in which the applicant has any ownership interest, direct or indirect, must not be delinquent.
 10. An approved exemption can be rescinded by the City Commission if the construction thereof is in violation of building permit or building code requirements.
 11. The City Assessor shall submit a qualified application to the City Commission

for approval.

12. The owner of a residential property will have a limit of two (2) years from date of approval by the City Commission to complete all work stated in the scope of work. Improvements to commercial buildings, including commercial buildings converted to an apartment or residential building, must be completed within one (1) year from the date of approval by the City Commission. If the project is not completed within the specified timeframes, the exemption will become null and void and the property will be taxed at the full assessed valuation.
13. The property owner shall allow an inspection by the assessor and/or building inspector before starting ANY of the work that is defined in the certificate and inspections by the assessor prior to the beginning of any new assessment period (February 1st) that occurs during the project.
14. Once completed, the property owner shall be required to submit to a final assessment and/or inspection by the assessor and/or building inspector, and all work must align specifically within the original approved scope of work unless prior written approval has been provided by the assessor and building inspector for each change.


This resolution and the exemptions provided for herein may be rescinded or amended at any time.

Passed, adopted and approved this 17th day of August, 2009.



Mary Lee Nielson, President of the Board of
City Commissioners of the City of Valley City,
Barnes County, North Dakota

ATTEST:



Avis Richter, Auditor of the City of
Valley City, Barnes County, North Dakota