

**CITY OF RUGBY**  
**Guidelines for Property Tax Exemption for Builders**  
**of New Single Family Residential Properties**  
**NDCC 57-02-08 (42)**

- Pursuant to Section 57-02-08(42) of the North Dakota Century Code a new law was enacted granting builders the opportunity to file for an exemption on new residential construction.
- The property for consideration with this exemption must be owned by the builder and currently constructed or under construction; must have been built after December 31, 2010; within two years preceding the exemption request and remain unoccupied to qualify.
- A builder is only eligible for an exemption on five properties within the City of Rugby. A builder with an affiliation to more than one company is still only eligible for five total properties.
- The builder will select which properties they wish to file for an exemption on. The builder must be aware that if the property is sold or occupied during the course of the year, it will be added back on to the tax roll & prorated for the remaining months. The builder will NOT be able to substitute another property for exemption for the remaining months. The exemption ends with the sale of the property.
- An annual application listing up to five properties must be filed with the Rugby City Assessor on or before February 1<sup>st</sup> of each year. Late applications will NOT be accepted, no exceptions will be considered. Failure to meet the deadline will be sufficient reason for the City of Rugby to remove the builder's properties from consideration for that taxable year.
- Proof of payment of all property taxes must be submitted for the five properties that the builder is requesting an exemption.

**HOW TO APPLY**

1. An application must be filed with the City Assessor.
2. The assessor must determine if the improvements qualify for the exemption; however, the governing body must approve the exemption before it becomes effective.
3. If the renovation, remodeling or alterations qualify, the last assessment on the building would remain the same for up to five years unless an equalization percentage change is made or a reevaluation program for buildings is completed.
4. The land values are adjusted periodically in accordance with market values of property in the area.