



# RENAISSANCE ZONE PROGRAM

## Program Purpose

In 1999, the North Dakota Legislative Assembly approved the Renaissance Zone Act to provide tax incentives to encourage community redevelopment and economic investment in both residential and commercial properties.

## Qualifying Investments

### Residential Property

#### *Renovation or Expansion*

- The greatest of 20% of true and full value
- Proposed capital improvements must substantially improve the life expectancy of the property.

#### *New Construction*

- Investment of a minimum of \$25 in capital improvements per square foot. (not currently in plan)

#### *Purchase*

- The purchase of a single family residential property for use as the individual's primary residence.

### Commercial Property

#### *Rehabilitation or Expansion*

- The greatest of 50% of the true and full value
- Proposed capital improvements must substantially improve the life expectancy of the property.

#### *New Construction*

- Investment of a minimum of \$25 in capital improvements per square foot. (not currently in plan)

#### *Commercial Leases*

- Proposed lease must not be executed prior to application approval

#### *Purchase*

- The purchase of a property by an individual for any business purpose.

**This is a summary of the guidelines for project approval. There are additional guidelines that will be taken into consideration when reviewing a project application.**

## Tax Incentives

### Primary Residence

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state individual income tax up to \$10,000 annually for 5 years
- Transferable exemptions with sale

### Business or Commercial Property

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state individual income tax up to \$10,000 annually for 5 years
- Transferable exemptions with sale or lease

**Property tax incentives are provided on the value of the improved buildings. This does not include taxes on the land or special assessments.**

## Application Process

Applications must be approved before improvements begin. A Renaissance Zone project must be approved by the Hillsboro City Commission and the North Dakota Department of Commerce before an eligible purchase, rehabilitation, new construction project or lease of the property begins. A Certificate of Good Standing from the North Dakota Tax Department is also required. Please allow 3 weeks for the review process.

Renaissance Zone incentives are available to designated blocks within the City of Hillsboro.

Visit our website [HillsboroND.com](http://HillsboroND.com) or contact City Hall for a map of the designated Renaissance Zone and application.