



# CITY OF GHENT

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## CITY OF GHENT TAX ABATEMENT POLICY

**INTENT:** The purpose of the Ghent Tax Abatement Policy for new construction of single and multi-family homes is to provide incentives in the City of Ghent to encourage the construction of new owner occupied and residential rental housing units and increase the value of the future tax base for the City of Ghent taxpayers.

**DURATION:** This policy is in effect from **July 1, 2022 to December 31, 2027**, and may be modified or rescinded at any time by the Ghent City Council.

**TAX ABATEMENT AUTHORITY:** Minnesota Statute § 469.1813 grants a political subdivision the authority to abate property taxes.

**ELIGIBLE PARTICIPANTS:** Any person or entity who constructs a new single family home, duplex, or multi-family complex consisting of 12 units or less, and who files application material and seeks formal approval from the Ghent City Council between **July 1, 2022 and December 31, 2027**, may be eligible to receive a tax abatement of the City's share of increased real estate taxes as a result of building newly constructed housing or a home, for a period of four (4) years provided all of the following are met:

1. Property is located within the Ghent city limits and zoned and permitted properly for the proposed development project.
2. The applicant has not and will not receive other local public financial assistance (TIF/ tax increment financing, workforce housing, small cities development program, or the like), however, this program will coordinate with other local government tax abatement programs.
3. Project is built to building codes adopted at the time building permit is obtained.
4. Property taxes are current and paid on time and in full.
5. City Utility bill is current and paid on time and in full.
6. Program approval is obtained for construction beginning after July 1, 2022.
7. Application is received within one year of the date of the building permit application.

Each abatement application will be individually considered by the Ghent City Council. The council reserves the right to accept or reject any application for any reason. When an abatement is approved, a percentage of the city portion of annual real estate taxes will be returned via a single payment made to the taxpayer of record as of the date of payment issuance and by December 30 for the calendar year. The abatement of the county portion of property taxes will be:

- YEAR 1 - 60%
- YEAR 2 - 40%
- YEAR 3 - 20%
- YEAR 4 - 10%

The abatement **will not** transfer with the sale of the property for the balance of the four year abatement period. This abatement does not apply to, or include, existing and/or new special assessments to the property.

**APPLICATION PROCEEDURE:** A application can be obtained at the Ghent City Office. This application must be completed in full and returned to the city administrator/clerk to be considered at the following city council meeting. The Board shall schedule an annual public hearing to hear all abatement requests received in that year to receive input on each abatement request and shall pass a resolution to approve or deny said application.

The abatement period will begin two tax payable years following the year of application, or not more than two years following approval of the resolution, whichever is first, and shall continue for four (4) years.