

# 501(C)(3) NON-PROFITS

## ORGANIZATIONS APPLYING FOR REAL ESTATE AND PERSONAL PROPERTY TAX EXEMPTION

Tuesday, May 25, 2021

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Karen I. Rose, Commissioner of the Revenue





# City Council's Authority to Exempt Real Estate and Personal Property Taxes

- The Constitution of Virginia allows for specific local tax exemption (Ref. Article X, §6. Exempt Property).
- Prior to January 1, 2003, the General Assembly passed bills exempting an organization from local taxation.
- As of January 1, 2003, local elected officials were given the authority to make the determination.
- Council passed a local ordinance addressing real and personal property exemption (Ref. §4-2-17 Harrisonburg City Code).



# The Process

- Non-profit files Tax-Exempt Application.
- Application and supporting documentation (i.e. financial statements, tax returns, etc.) are reviewed by a committee made up of the City's Finance Director, Treasurer, and Commissioner of the Revenue.
- Revenue impact is determined.
- A public hearing is set and advertised.
- The information is provided to City Council.
- Tax-exempt status is awarded or denied.
- The local ruling is the final determination.



# Current Statistics

- There are 15 - 501 (c)(3) organizations that have personal property exempted by Council and the total tax amount exempted in FY 21 was \$ 19,816.00.
- There are 11 - 501 (c)(3) organizations that have real estate taxes exempted by Council and the total tax amount exempted in FY 21 was \$ 96,010.00.



# 2021 Applicants

- New Creation, VA Inc.
- Central Valley Habitat for Humanity Inc.



# New Creation VA, Inc.



**3051 S Main St Tax Map 1 c 2-A**



## New Creation VA, Inc.

- Mission: to creatively counteract human trafficking through prevention education and job creation.
- 3051 S Main St is a retail shop where they offer survivor made goods and fair trade accessories.
- Every donation and sale from their shops has raised over \$2.2 million to Rescue, Restore, Empower and Employ
- They have participated in over 300 Community Awareness events and created over 60 global partnerships









## New Creation VA, Inc.

2021 Personal Property Tax Assessment: \$ 4,623

2021 Personal Property Taxes levied: \$ 98

2021 Real Estate Tax Assessment: \$ 546,900

2021 Real Estate taxes levied: \$ 4,703

(Calculated at the current personal property rate of \$2.12 per \$100 and the real estate property tax rate of .86 per \$100 )



# Central Valley Habitat for Humanity Inc



**Tax Maps 039 Z 14A & B; 039 Z 16 A & B  
and 039 Z 17 A & B**



# Central Valley Habitat for Humanity Inc

- Is an independent affiliate of Habitat for Humanity International (HFH)
- They do not build homes for people but *with* them as equal partners.
- **Mission:** Seeking to put God's love into action, Central Valley Habitat for Humanity, Inc. brings people together to build **homes, communities and hope.**
- With the help of Central Valley HFH, 73 families in 33 years have found homes in our community. Through home ownership, Central Valley HFH has empowered families that want to work for a better life.
- After the current duplex is completed the partner family will buy from Central Valley HFH with a no-interest mortgage and become taxable when the settlement takes place.



# Central Valley Habitat for Humanity Inc

- 2021 Real Estate Tax Assessment: \$ 197,400
- 2021 Real Estate taxes levied: \$ 1,698

(Calculated at the current real estate property tax rate of .86 per \$100 )





- The committee recommends that Harrisonburg Children's Museum Inc and Central Valley Habitat for Humanity be exempted the respective taxes for which they have applied.



# Questions