



CITY OF HARRISONBURG COMMISSIONER OF THE REVENUE

KAREN I. ROSE, MCR
CTYCOMM@HARRISONBURGVA.GOV

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801

OFFICE (540) 432-7704 • FAX (540) 432-7781

TO: Eric Campbell, City Manager
FROM: Karen Rose, Commissioner of the Revenue
DATE: July 15, 2020
RE: Personal Property Tax Exemption for Harrisonburg Children's Museum and Real Estate Tax Exemption for Anicira Veterinary Center

Summary: In January 2020, applications were received from Harrisonburg Children's Museum Inc for personal property tax exemption at 150 South Main Street and from Anicira Veterinary Center for real estate tax exemption for property located at 1992 Medical Ave.

Background: The Constitution of Virginia allows for specific local tax exemption. Prior to January 1, 2003, the General Assembly passed bills exempting a 501(c)(3) organization from local taxation and as of January 1, 2003, local elected officials were given the authority to make the determination. Harrisonburg City Code §4-2-17 addresses local real and personal property exemption. The two above stated entities are requesting exemption under this code.

Key Issues:

1. Harrisonburg Children's Museum Inc had obtained exemption from Council in 2011 and has now requested exemption of personal property taxes on their expanded area in the museum at 150 South Main Street. Harrisonburg Children's Museum Inc hosts approximately 80,000 annual visitors. 1 in 7 visitors attend the museum through sponsored admission programs and events. In 2019, the museum renovated their third floor and added 10,900 square feet of a teaching kitchen, multipurpose space for camps and community-wide events and additional offices and meeting space. For personal property, Harrisonburg Children's Museum Inc has paid \$ 1,718.39 for business furniture, fixtures and equipment in 2018 and \$2,470.41 in 2019. Their 2020 assessments for business furniture, fixtures and equipment would generate \$2,626.93 in FY 21 at the current tax rate of \$2.12 per hundred.
2. Anicira Veterinary Center had obtained exemption from Council in 2008 and has now requested exemption on real estate taxes on their expanded property located at 1992 Medical Ave. Anicira moved their veterinary services to Medical Ave in 2017 and rented this property until it was purchased in December 2019. Tevina LLC purchased the property. Tevina LLC is Anicira's wholly owned subsidiary real estate holding company. Anicira Veterinary Center is committed to serving animals and our community through veterinary services, education, shelter, care and protection programs to help animals



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live healthy lives in a safe environment. Their 2020 assessment for real estate at the current tax rate of .86¢ per hundred would generate \$10,123.92 in FY 21.

Environmental Impact: None

Fiscal Impact: If all exemptions are granted the reduction in real estate tax revenue would be \$ 10,024 at the current real estate rate and the reduction in personal property tax revenue would be \$ 2,627 at the current personal property tax rate.

Prior Actions: None

Alternatives: (a) Approve for exemption
(b); or
(c) Do not approve for exemption

Community Engagement: None

Recommendation: The Committee members Jeff Shafer, Treasurer; Larry Propst, Director of Finance; and Karen Rose, Commissioner of the Revenue have reviewed the application packets and recommend that City Council approve the requests for exemption for Harrisonburg Children's Museum Inc. and Anicira Veterinary Center.

Attachments: Committee Approval Letter, Public Hearing Advertisement, Applications

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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