

# **501(C)(3) NON-PROFITS**

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

Tuesday, August 11, 2020

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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 16 - 501 (c)(3) organizations that have personal property exempted by Council and the total tax amount exempted in FY 20 was \$ 21,024.00.
- There are 10 - 501 (c)(3) organizations that have real estate taxes exempted by Council and the total tax amount exempted in FY 20 was \$ 95,466.00.



# 2020 Applicants

- Harrisonburg Children's Museum Inc.
- Anicira Veterinary Center



# Harrisonburg Children's Museum dba Explore More Discovery Museum

- Harrisonburg City Council exempted personal property for the Explore More Discovery Museum on May 24, 2011.
- In FY 20 the personal property tax exemption was \$3,255.00.
- The Museum has expanded their exhibits and square footage with a beautifully renovated third floor.
- \$165,000 of additional business personal property has been added that equates to an assessment in 2020 of \$123,912.00 and \$2626.93 of taxes at the current rate of \$ 2.12 per \$100 of assessment.





- The museum hosts over 80,000 visitors annually with 85% coming from over 100 different localities in VA
- Monthly free admission events and scholarship memberships support families with financial need and over 15% of admissions are sponsored.
- The museum fee is the lowest of 7 children museums in Virginia.
- Nearly 300 volunteers give approx. 10,000 hours to support the museum annually
- Provides a rich learning environment to promote problem solving, creativity and teamwork





Third Floor Teaching  
Kitchen

Third Floor  
Multipurpose Room







# Anicira Veterinary Center

- Anicira Veterinary Center was granted personal property and real estate tax exemption at 910 N Liberty St (Parcel 040 B 2) on March 25, 2008.
- Anicira Veterinary Center has expanded their business to 1992 Medical Avenue and is requesting real estate tax exemption
- Anicira is committed to serving animals and our community through veterinary services, education, outreach, shelter, care and protection programs. The team helps families care for their pets by making veterinary care affordable.





# Parcel 079 B 9





# Anicira Veterinary Center

- 2020 Real Estate Tax Assessment: \$1,177,200
- 2020 Real Estate taxes levied: \$ 10,124

(Calculated at the current real estate property tax rate of )



- The committee recommends that Harrisonburg Children's Museum Inc and Anicira Veterinary Services be exempted the respective taxes for which they have applied.



# Questions