

501(C)(3) NON-PROFITS

ORGANIZATIONS APPLYING FOR REAL ESTATE AND PERSONAL PROPERTY TAX EXEMPTION

Tuesday, June 28, 2022

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 13 - 501 (c)(3) organizations that have personal property exempted by Council and the total tax amount exempted in FY 22 was \$20,425.
- There are 11 - 501 (c)(3) organizations that have real estate taxes exempted by Council and the total tax amount exempted in FY 22 was \$ 95,186.



2022 Applicants

- Anicira Veterinary Center
- Harrisonburg Gift and Thrift Shop Inc.
- Harrisonburg Community Health Centers, Inc.
- The Community Foundation of Harrisonburg and Rockingham County



Anicira Veterinary Center





Anicura Veterinary Center

- Anicura Veterinary Center was granted personal property and real estate tax exemption at 910 N Liberty St (Parcel 040 B 2) on March 25, 2008 and real estate tax exemption at 1992 Medical Avenue (Parcel 079 B 9) on August 11, 2020.
- The personal property tax exemption on vehicles is granted to each specific vehicle. Anicura receives exemption on 2 vehicles and they are now requesting exemption on a Transit Van used for transporting the animals.
- Anicura 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.



Anicira Veterinary Center

2022 Personal Property Tax Assessment: \$ 43,275

2022 Personal Property Taxes levied: \$ 1,377

(Calculated at the FY 23 vehicle personal property rate of \$3.15 per \$100)



Harrisonburg Gift and Thrift Shop, Inc





Harrisonburg Gift and Thrift Shop, Inc

- The Harrisonburg Gift and Thrift Shop, Inc was exempted from real estate taxes and personal property in 2007 and their 2017 expansion and renovation was exempted in 2019.
- The Harrisonburg Gift and Thrift Shop, Inc receives exemption on 3 vehicle/trailers and is asking for exemption on a truck.
- Gift and Thrift purposes recycled books, resales gently used items and gives discounts for individuals working with social services or other agencies, and supervises volunteers working for completion of court system community service hours. The proceeds from sales are forwarded to Mennonite Central Committee to fund relief and development projects



Harrisonburg Gift and Thrift Shop, Inc.

2022 Personal Property Tax Assessment:	\$ 5,181
2022 Personal Property Taxes levied :	\$ 163

(Calculated at the FY 23 vehicle personal property tax rate of \$3.15 per \$100)



The Community Foundation of Harrisonburg and Rockingham County



25 W Water St Tax Map 026 B 10T



The Community Foundation of Harrisonburg and Rockingham County

- In December 2020, Harrisonburg/Rockingham Free Clinic Inc ceased operations and in July 2021 they transferred ownership of the building at 25 W Water St and all personal property to TCF Holdings LC for them to find another nonprofit to use the property to benefit the underserved health care needs of our community.
- TCF Holdings LC is 100% owned by The Community Foundation of Harrisonburg and Rockingham County.
- TCF Holdings LC paid the real estate taxes and personal property taxes in 2021.
- The rooftop is rented so it will remain taxable.



The Community Foundation of Harrisonburg and Rockingham County

2022 Real Estate Assessment: \$ 1,642,400

2022 Real Estate taxes levied: \$ 15,274
(Assuming the FY 23 real estate property tax rate)

2022 Personal Property Tax Assessment: \$ 23,080

2022 Personal Property taxes levied: \$ 489
(Assuming the FY 23 personal property tax rates)



Harrisonburg Community Health Centers, Inc (HCHC)



1380 Little Sorrell Dr Tax Map 088 G 7



Harrisonburg Community Health Centers, Inc (HCHC)

- Harrisonburg Community Health Centers, Inc received real estate and personal property tax exemption in 2013 for the clinic and dental portion of the building. The pharmacy remained taxable because it was being leased to Williamson Hughes Pharmacy.
- During 2020, Williamson Hughes closed their pharmacy at the location and HCHC started renovation and working toward a pharmacy run by them.
- HCHC is asking for exemption of taxes on the real estate and personal property for the pharmacy portion of the building and personal property tax exemption on additional equipment located in the clinic that has been added since prior exemption.



Harrisonburg Community Health Centers, Inc (HCHC)

Mission: to provide patient-centered healthcare that is accessible and affordable for all.

HCHC provides discounted medical, dental and pharmacy services based on income eligibility.





Harrisonburg Community Health Centers, Inc (HCHC)

- 2022 Real Estate Assessment: \$ 629,900
- 2022 Real Estate tax levied: \$ 5,858
(Assuming the FY 23 real estate property tax rate)
- 2022 Personal Property Tax Assessment: \$ 269,669
- 2022 Personal Property taxes levied: \$ 5,717
(Assuming the FY 23 personal property tax rates)



- The committee recommends that Anicira Veterinary Center, Harrisonburg Gift and Thrift Shop, Inc, The Community Foundation of Harrisonburg and Rockingham and Harrisonburg Community Health Centers Inc. be exempted the respective taxes for which they have applied.



Questions