

# 501(C)(3) NON-PROFITS

Organizations Applying for  
Real Estate and Personal Property  
Tax Exemption

# 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 19 was \$ 19,005.00.

There are 10 - 501 (c)(3) organizations that have real estate taxes exempted by Council and the total tax amount exempted in FY 19 was \$ 91,302.00.

# 2019 Applicants

- Way to Go, Inc.
- Harrisonburg Gift & Thrift Shop, Inc.
- Madison Automotive Apprentices Inc.
- Center for Health and Human Development



Located at 317 South Main St

# Way to Go Inc.

- Mission: To empower low-income, working households in Harrisonburg-Rockingham to improve their quality of life by assisting them with their transportation needs.
- Founding Principles: A lack of affordable, dependable transportation is often the primary barrier to a person maintaining employment, accessing essential community services and reaching overall well-being.

# Way to Go, Inc.

Serves approximately 200 low-income families each year as they are referred from local agencies. Services provided include:

- repairs, including state inspections
- vehicle insurance payments
- vehicle fees at DMV, City/County
- gas vouchers
- taxi trips while vehicle is in shop
- driving lessons in order to obtain VA drivers license
- providing a donated or assisted-purchased vehicle
- other urgent needs necessary to maintain employment



# Way To Go, Inc.

2019 Personal Property Assessment for office personal  
property held as of Jan 1st: \$ 6,341

2019 Personal Property taxes levied: \$ 134

(Assuming the current personal property tax rate)

2019 Personal Property Assessment for vehicles held as of Jan  
1st: \$ 5,575

2019 Personal Property taxes levied: \$ 195

(Assuming the current vehicle personal property tax rate )

# HARRISONBURG GIFT AND THRIFT SHOP INC



Tax Map Parcel 47 M 3T

# Harrisonburg Gift and Thrift Shop, Inc.

- The Harrisonburg Gift and Thrift Shop, Inc. was exempted from real estate taxes and personal property in 2007.
- City Code Sec. 4-2-17 (a)(4) states the exemptions shall only apply to the specific item(s) of personal property for which the exemption is sought and not any property that may be acquired in the future by such organization.
- In 2017, the Gift and Thrift added an additional 8,312 square feet to the existing building and renovated another 11,776 square feet.
- 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

- 2019 Real Estate Tax Assessment: \$ 1,781,100
- 2019 Real Estate taxes levied: \$ 15,139  
(Assuming the current real estate property tax rate)
- 2019 Personal Property Tax Assessment: \$ 34,508  
(Includes personal property and vehicles assessment)
- 2019 Personal Property taxes levied: \$ 1,042  
(Assuming the current personal property tax rates)

# MADISON AUTOMOTIVE APPRENTICES INC (MAAP)



# MADISON AUTOMOTIVE APPRENTICES INC (MAAP)

- The mission of MAAP is to create cooperative opportunities between auto manufacturer(s), higher education institutions, vintage auto clubs and enthusiasts and other non-profit organizations to promote learning among students with aptitude in engineering, non-profit management, economic development, grant writing, automotive history, communications, social marketing, and event and project management.
- MAAP is affiliated with James Madison University's College of Integrated Science and Engineering and located at JMU's warehouse at 1070 Virginia Avenue.
- MAAP takes on precision vehicle restoration for paying clients.
- MAAP personal property consists of tools, auto repair equipment, office equipment and an old vehicle and truck used for pickups and deliveries.

# MADISON AUTOMOTIVE APPRENTICES INC (MAAP)

- 2019 Personal Property Assessment           \$ 24,644
- 2019 Personal Property Tax                   \$       582
- (Assuming the current personal property rates)

# Center for Health and Human Development (CHHD)

Mission: CHHD supports programs in Central America, Asia and Africa, as well as the United States. CHHD partners with local nonprofit organizations globally to foster innovative programming at the community level, effective feedback systems to maximize program impact, and long term sustainability. They work directly with the leadership of these organizations to accomplish their larger visions and goals.

They also help channel emergency relief funds to organizations overseas involved in disaster, hurricane, or earthquake relief.



# 748 MADISON ST



Tax Map Parcel 41 M 15 & 40 T 18

# 851 MADISON ST



Tax Map Parcel 041 K 5 6

# CHHD

- CHHD was asked by New Community Project to purchase the homes because a local lender would not loan to New Community Project due to the fact their Board of Directors were not local.
- New Community Project is a small organization with the goal to change the world by changing the way we relate to the planet and its people.
- CHHD has no involvement other than to review the financial statements and ensure expenses are met
- Both homes are used to provide low-cost housing to refugees or other families in need in our community.

# CHHD

748 Madison St

2019 Real Estate Tax Assessment: \$ 149,600

2019 Real Estate taxes levied: \$ 1,272

(Assuming the current real estate property tax rate)

851 Madison St

2019 Real Estate Tax Assessment: \$ 146,300

2019 Real Estate taxes levied: \$ 1,243

(Assuming the current real estate property tax rate)

The committee recommends that Way to Go Inc and Harrisonburg Gift and Thrift Shop Inc. be exempted the respective taxes for which they have applied.

The committee recommends that the Center for Health and Human Development be denied exemption due to §4-2-17(a)(3) the property cannot be used as a dwelling and §4-2-17(c) (iii) the applicant cannot be delinquent in payment of city taxes.

- The committee recommends that Madison Automotive Apprentices be denied exemption. §4-2-17(b)(7) asks what specific services does the organization provide for the common good of the local citizens and the committee sees MAAP's services as being very narrow.