

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT SERVICES AND OPERATIONS COMMITTEE
ACTION ITEM**

SUBJECT: Proposed Modifications to the Application and Process for the Granting of Exemptions by Designation

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: January 14, 2014

CONTACT: Robert S. Wertz, Jr., Commissioner of the Revenue

RECOMMENDATIONS:

Commissioner of the Revenue: The Commissioner of the Revenue recommends the Finance/Government Services and Operations Committee recommend the Board of Supervisors adopt the process shown in **Attachment 1** for evaluating applications for exemption from property taxation effective January 1, 2014.

BACKGROUND: There are two types of property tax exemptions, exemptions by classification and exemptions by designation. Determinations of property tax exemption by classification are made by the Commissioner of the Revenue. Chapter 36 of Title 58.1 of the *Code of Virginia* provides the authority for Virginia counties, cities and towns to, by designation or classification, exempt from local taxation real or personal property, or both, owned by a nonprofit organization and meeting criteria specified in § 58.1-3651 of the Virginia Code (**Attachment 2**). Organizations previously granted exemptions from property taxation by Loudoun County are reflected in its Codified Ordinances in Chapter 862, Exemptions from Taxation.

On October 7, 2008, the Board of Supervisors adopted a moratorium on the granting of exemptions by designation until December 31, 2011, which was subsequently extended indefinitely on April 17, 2012. At the November 6, 2013 Board Business meeting, Supervisor Letourneau moved that the Board of Supervisors continue the moratorium on exemptions by designation, direct staff to cease accepting applications, remove any information about the application process from the county's website, and direct staff to inform applicants and interested organizations that their applications and/or interest will not be considered by the Board, but to inform them that the Board has a non-profit process in place during the budget process. The motion was seconded by Supervisor Reid and the motion passed 6-3 (Supervisors Buona, Clarke and Volpe voted no). The Board reconsidered this action at its December 4, 2013 Business Meeting. Supervisor York moved that the Board direct staff to advertise the lifting of the moratorium on exemptions by designation and accept applications through April 1, 2014 for non-profit organizations to apply for tax year 2015; staff be directed to contact applicants who have submitted applications since 2009 and organizations who have inquired

about the tax exempt program regarding the lifting of the moratorium and application process; and the Board forward to the Finance/Government Services and Operations Committee the review of the exemption criteria, and discuss the feasibility of an annual application process for property tax exemption by designation. The motion was seconded by Supervisor Buona and passed 5-3-1 (Supervisors Buona, Clarke, Higgins, Volpe and York – Yes; Supervisors Letourneau, Reid and Williams – No; Supervisor Delgaudio – Absent for vote).

This item outlines the procedures which the Commissioner of the Revenue recommends for processing applications for exemption from taxation. The Committee will need to forward this item to the Board's February meeting in order to allow sufficient time to publicize the process, communicate with community non-profits and distribute applications for the April 1, 2014 deadline.

ISSUES: The *Code of Virginia* § 58.1-3651 (**Attachment 2**) specifies the criteria governing bodies shall consider before adopting a property tax exemption by designation for nonprofit organizations. A draft application meeting all criteria required by § 58.1-3651 for property tax exemption is included as **Attachment 3**. The current application for exemption from taxation is shown as **Attachment 4**. All real and personal property of any organization currently exempt from taxation by designation will retain its exempt status so long as the property is used in accordance with the purpose for which the organization is classified or designated. Any exemption granted pursuant to § 58.1-3650 et seq. of the Virginia Code may be revoked in accordance with the provisions of § 58.1-3605.

There are a number of applications for property tax exemption that have been received from nonprofit organizations despite the moratorium. However, only 2 applications for property tax exemption by designation were submitted during calendar year 2013; one on March 28 and another on October 1. Due to the time that has passed since almost all of these applications were originally filed, the information submitted may be outdated. Consequently, all nonprofit organizations desiring a property tax exemption by designation will be required to file a new application by April 1.

For an exemption from real estate taxes, the Board may choose to designate for an exemption only the real estate currently owned by a nonprofit organization by identifying within the resolution granting the exemption the specific property address and parcel identification or tax map number. Alternatively, the Board's resolution may grant an exemption from real estate taxes by organization name providing that when new property is purchased it becomes automatically exempt, if used for the organization's charitable purpose. Should the Board elect to grant an exemption by specific parcel, when new parcels are purchased, the organization would need to again apply to the Board for an exemption on those new parcels.

FISCAL IMPACT: Although no resources are requested, additional staff time will be required to handle the increase in applications anticipated as a result of lifting the moratorium for exemption by designation. The fiscal impact of granting property tax exemptions by designation is dependent on the organizations that the Board approves for exemption and the value of the personal and real property owned by the respective nonprofits. In tax year 2013, the total property tax revenue foregone due to exemptions by designation by Loudoun's Board of Supervisors was \$4,433,923 (**Attachment 5**). Existing designations of property tax exemption previously granted by the Board of Supervisors or the General Assembly will continue unless the Board requests the General Assembly to revoke such exemption. The Commissioner of the Revenue may, however,

as a condition of retaining such exemption, require property owners to provide documentation of use of such property in accordance with the purpose for which the organization is classified or designated.

ALTERNATIVES:

1. Approve the process shown in **Attachment 1** for evaluating applications for exemption from property taxation effective January 1, 2014.
2. Maintain the current application (**Attachment 4**).

DRAFT MOTION:

1. I move that the Finance/Government Services and Operations Committee recommend the Board of Supervisors adopt the modifications to the application and process for granting exemptions from taxation proposed by the Commissioner of the Revenue in **Attachments 1 and 3**.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Proposed Application for Exemption from Taxation Procedures
2. Virginia Code Section 58.1-3651
3. Draft Application for Exemption from Taxation
4. Current Application for Exemption from Taxation
5. FY 2014 Adopted Fiscal Plan - Tax Exemptions by Board Action

Process for Evaluating Applications for Exemption from Property Taxation

1. A non-profit organization seeking exemption from taxation for its real or personal property, or both, must file an application with the Commissioner of the Revenue. The form shall be prescribed by the Commissioner of Revenue.
2. The Commissioner of the Revenue or his designee will determine whether an organization qualifies for exemption in accordance with *The Code of Virginia* by 1) classification or 2) designation granted by the General Assembly prior to January 1, 2003 and will extend the exemption, if applicable.
3. Organizations which are not eligible for exemption in accordance with *The Code of Virginia* by 1) classification or 2) designation granted by the General Assembly prior to January 1, 2003, will be forwarded to the Board of Supervisor's Finance/Government Services and Operations (FGSO) Committee for consideration of exemption by local designation.
4. The Commissioner of the Revenue will provide to the FGSO committee a summary report of applications including the organization name, description, assessed amount of property, and type of exemption requested.
5. The FGSO Committee will review each application.
6. Exemptions by designation will become effective as of January 1st of the year following the Board's approval.
7. In order to be effective as of January 1st of a given year, applications for exemption by designation must be filed no later than April 1st of the preceding year. Late applications will not be considered.
8. The Board of Supervisors shall hold a public hearing on applications for exemption recommended for approval submitted by the April 1st deadline. Notice of the hearing shall be published at least once in a newspaper of general circulation in the County, with the hearing to be held at least five days after the publication of the notice. The cost of publication of the notices will be collected from the organizations applying for exemption.
9. Exemptions shall be granted only by ordinance adopted by the Board of Supervisors after holding a public hearing thereon. The ordinance shall state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated.
10. Once granted, an exemption will be effective until the organization no longer qualifies, until the specific use on which the exemption is based ceases, or until revoked by the Board as provided by law, whichever occurs first.

§ 58.1-3651. Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003.

A. Pursuant to subsection 6 (a) (6) of Article X of the Constitution of Virginia, on and after January 1, 2003, any county, city, or town may by designation or classification exempt from real or personal property taxes, or both, by ordinance adopted by the local governing body, the real or personal property, or both, owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes. The ordinance shall state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated. No exemption shall be provided to any organization that has any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin.

B. Any ordinance exempting property by designation pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town where the real property is located. The notice shall include the assessed value of the real and tangible personal property for which an exemption is requested as well as the property taxes assessed against such property. The public hearing shall not be held until at least five days after the notice is published in the newspaper. The local governing body shall collect the cost of publication from the organization requesting the property tax exemption. Before adopting any such ordinance the governing body shall consider the following questions:

1. Whether the organization is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954;
2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property;
3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders;
4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services;
5. Whether the organization provides services for the common good of the public;
6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office;
7. The revenue impact to the locality and its taxpayers of exempting the property; and
8. Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance.

C. Any ordinance exempting property by classification pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town. The public hearing shall not be held until at least five days after the notice is published in the newspaper.

D. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

E. Nothing in this section or in any ordinance adopted pursuant to this section shall affect the validity of either a classification exemption or a designation exemption granted by the General Assembly prior to January 1, 2003, pursuant to Article 2 (§ 58.1-3606 et seq.), 3 (§ 58.1-3609 et seq.) or 4 (§ 58.1-3650 et seq.) of this chapter. An exemption granted pursuant to Article 4 (§ 58.1-3650 et seq.) of this chapter may be revoked in accordance with the provisions of § 58.1-3605.

(2003, c. 1032; 2004, c. 557.)

GOVERNMENT CENTER
1 Harrison St. SE 1ST Floor
Leesburg, VA 20175-3102

Robert S. Wertz, Jr., Commissioner of the Revenue
P O Box 8000 Leesburg, VA 20177-9804
(703) 777-0260
Email: cor@loudoun.gov

LOUDOUN TECH CENTER
21641 Ridgetop Cir. Ste 100
Sterling, VA 20166-6597

INSTRUCTIONS
APPLICATION FOR EXEMPTION FROM TAXATION
PLEASE READ INFORMATION PACKET BEFORE COMPLETING THE APPLICATION

Filing Deadline: APRIL 1 for the following tax year

This application is for use by non-profit organizations seeking exemption from property taxes on property used for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes only. Please complete the application in its entirety and return to the Commissioner of the Revenue at the above address. A written response acknowledging receipt of the application will be mailed to the organization within ten business days of receipt. Questions that cannot be answered within the space provided may be answered by attaching additional sheets to this application if necessary. Failure to answer all questions and provide required documentation may result in a delay in processing the application. The application must be signed by a duly authorized officer, director or member who is knowledgeable as to the organization's activities and operations, and who can attest to the accuracy of the information provided. A written notification of determination will be mailed to the applicant after the application and all supporting documentation have been reviewed.

Applications from non-profit organizations that are not eligible for exemption by classification pursuant to § 58.1-3600 et seq. of the *Code of Virginia* shall be forwarded for consideration by the Board of Supervisors for exemption by local designation. In the event that the property defined in this application is determined to be exempt by designation by the Board of Supervisors, a public hearing will be held to allow input from citizens and the cost of publishing the notice of the hearing will be the responsibility of the applying organization. Until a public hearing is held and the ordinance exempting property for the applying organization is adopted, the organization is instructed to continue filing all appropriate tax documents and returns, and continue to pay all taxes in a timely fashion. Failure to file required returns may result in an assessment of penalties or loss of eligibility, if an exemption is not granted. As part of our review, it may be necessary to request and review additional records. If you have any questions regarding the application for exemption process, please contact (703) 777-0260.

LOUDOUN COUNTY TAX EXEMPTION APPLICATION

For Real and/or Personal Property

GOVERNMENT CENTER
1 Harrison St. SE 1ST Floor
Leesburg, VA 20175-3102

Robert S. Wertz, Jr., Commissioner of the Revenue
P O Box 8000 Leesburg, VA 20177-9804
(703) 777-0260
Email: cor@loudoun.gov

LOUDOUN TECH CENTER
21641 Ridgetop Cir. Ste 100
Sterling, VA 20166-6597

Organization's Name				
Organization's Federal Identification Number		_____ - _____	Date Organization Began Operations in Loudoun County	___ / ___ / _____
Contact Name			Phone Number	(____) _____ - _____
Contact Title			E-Mail Address	
Mailing Address	Street Address or P.O. Box		City / Town	State Zip Code
Loudoun Location	Street Address or P.O. Box		City / Town	State Zip Code
1. What is the organization's purpose?				
2. Briefly describe the services provided by the organization.				
3. What is the organization's federal tax designation?				
<input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)(4) <input type="checkbox"/> 501(c)(6) <input type="checkbox"/> 501(c)(7) <input type="checkbox"/> Other: _____				
4. Please list salaries or other compensation, if any, received by the organization's three highest paid employees (including directors and officers).				
Name		Title		Annual Compensation
5. What percentage of the services provided by the organization is generated by funds received from donations, contributions, in-kind or material services, and local, state or federal grants?				
_____ %				
6. Does the organization have a current alcoholic beverage license for serving alcoholic beverages issued by the VA Alcoholic Beverage Control Board for use on the property listed on this application?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
7. Does the organization engage in any activities unrelated to the purpose for which it was established?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
8. Does the organization have any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
9. Does any part of the earnings of the organization inure to the benefit of any individual?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
10. Is the organization involved in carrying on propaganda, or otherwise attempting to influence legislation?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				
11. Does the organization participate or intervene in any political campaign on behalf of any candidate for public office?				
<input type="checkbox"/> YES <input type="checkbox"/> NO				

- 12. Please provide the following documents along with the completed application.**
- a. IRS Determination Letter
 - b. Certificate of Good Standing from the State Corporation Commission
 - c. Mission Statement, if any
 - d. Articles of Incorporation or Organization, and any amendments thereto
(If the organization is an unincorporated church which does not have Articles of Incorporation, an IRS determination letter, or a Federal tax return, please provide documentation that confirms the establishment of a church which holds regularly scheduled worship services.)
 - e. Current alcoholic beverage license issued by VA Alcoholic Beverage Control
 - f. Pamphlets, brochures, weekly bulletins or any literature that describes the religious, charitable, patriotic, historical, educational or recreational purposes of the organization

13. Please provide a detailed list (use a separate sheet if necessary) of all real estate, tangible personal property, or vehicles owned by the Organization for which it is seeking a Loudoun County property tax exemption.

REAL ESTATE

Property Identification Number (PIN)	Property Address	Date Acquired	Intended Use of Property	Taxes Assessed

VEHICLE PERSONAL PROPERTY

Vehicle Identification Number (VIN)	Year Acquired	Purchase Price	Vehicle Year	Vehicle Make	Location where vehicle is normally garaged, docked or parked	Is the vehicle predominantly used for the purpose for which the exemption is requested?
						<input type="checkbox"/> YES <input type="checkbox"/> NO
						<input type="checkbox"/> YES <input type="checkbox"/> NO
						<input type="checkbox"/> YES <input type="checkbox"/> NO

OTHER TANGIBLE PERSONAL PROPERTY
(e.g., computer equipment, furniture and fixtures, etc.)

Description	Location as of January 1 st	Year Acquired	Original Cost

APPOINTMENT OF REPRESENTATIVE

(Not required, complete only if you wish to appoint a representative)

I hereby appoint _____ whose telephone number is _____ and mailing address is _____ to represent me during the tax exemption process this year. I hereby give my permission to Commissioner of the Revenue employees to discuss this application with my representative and I agree to provide the necessary information should my appointed representative fail to do so.

By my signature, I willfully declare that the information provided is true, correct and complete, and I am authorized to file this form on behalf of the organization.

_____ Applicant's Signature

_____ Date

FOR OFFICE USE ONLY

Date Received:	TOTAL Assessed Value	TOTAL Taxes Assessed
Real Estate:		
Vehicle Personal Property:		
Other Tangible Personal Property:		



Loudoun County, Virginia

www.loudoun.gov

Office of the County Administrator

1 Harrison Street, SE, 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

APPLICATION FOR EXEMPTION FROM TAXATION

PLEASE READ INFORMATION PACKET BEFORE COMPLETING THE APPLICATION

INSTRUCTIONS:

This application is for use by non-profit benevolent, charitable, educational, or religious or recreational organizations only. It must be completed in its entirety and returned to the Loudoun County Board of Supervisors at the address given above. Questions that cannot be answered within the space provided may be answered by attaching additional sheets to this application. **Questions 4-7 and 5-1 identify specific documents that must be provided as part of the exemption application.** Failure to supply these documents may result in a delay in processing the application. The application must be signed by a duly authorized officer, director or member who is knowledgeable as to the organization's activities and operations, and who can attest to the accuracy of the information provided. A written notification of determination will be mailed to the applicant after the application and all supporting documentation have been examined. This notification will state whether an exemption has been granted, and for which tax it applies. Until a written notification is received from the County, the organization is instructed to continue filing all appropriate tax documents and returns, and continue to pay all taxes in a timely fashion. Failure to file returns may result in an assessment of penalties or loss of eligibility if an exemption is not granted. If you have any questions regarding the exemption process, please call (703) 777-0200.

EXEMPTION CATEGORY	APPLICATION SECTION
To determine eligibility for a <u>State Code Exemption</u> :	Complete Section I, Section V and Section VI
To determine eligibility for a <u>Local Exemption</u> (all Applicants) :	First complete Section I, then complete Section II to determine which section(s) to complete next -- <u>Small Local Exemption</u> (see Section II) : Section III, Section V and Section VI OR <u>Large Local Exemption</u> (see Section II) : Section III, Section IV, Section V and Section VI

SECTION I – to be completed by ALL APPLICANTS

Organization Name:

Mailing Address:

Loudoun Location:

Headquarters Location (if different from Loudoun location):

Contact Name:

Contact Title:

Contact Mailing Address:
(if different from above)

Contact Telephone:

Contact Facsimile:

Contact E-mail:

1-1. Is the Applicant currently exempt from real or personal property taxes in any other jurisdiction?

If so, please identify the jurisdiction(s), property type(s) and category of exemption(s) – (check all that apply). If exempt in multiple jurisdictions, provide the information requested as to one jurisdiction and use the supplemental sheet for the others.

JURISDICTION: _____

PROPERTY TYPE:

- Real Property
- Personal Property

PROPERTY ADDRESS: _____

PROPERTY IDENTIFICATION NUMBER: _____

EXEMPTION CATEGORY:

- | | | |
|--|--|--|
| <input type="checkbox"/> Church, religious denomination, religious order | <input type="checkbox"/> YMCA or similar religious association | <input type="checkbox"/> Volunteer fire or rescue organization |
| <input type="checkbox"/> Religious missionary assoc. | <input type="checkbox"/> Educational institution | <input type="checkbox"/> Girl Scouts / Boy Scouts |
| <input type="checkbox"/> Benevolent association | <input type="checkbox"/> Orphanage; nursing care facility | <input type="checkbox"/> Boys' or Girls' Club |
| <input type="checkbox"/> Cemetery (private or public) | <input type="checkbox"/> Red Cross | <input type="checkbox"/> Agricultural or Farm Club |
| <input type="checkbox"/> Veterans' organization | <input type="checkbox"/> Hospital or sanitarium | <input type="checkbox"/> Animal cruelty prevention |
| <input type="checkbox"/> Museum | <input type="checkbox"/> Habitat for Humanity | <input type="checkbox"/> College alumni association |
| <input type="checkbox"/> Historical foundation/association | <input type="checkbox"/> Other (<i>specify</i>): _____ | |

1-2. Exemption in Loudoun County is requested for –

- Real Property Personal Property

1-3. Exemption Category Requested: Religious Charitable Patriotic Historical

- Benevolent Cultural/Educational Public Park or Playground/Recreational

Other (*specify*): _____

1-4. When was the Applicant organization first established? _____

1-5. When did/will the Applicant begin operations in Loudoun County? _____

1-6. What is the Applicant's federal tax designation? (*Circle one*)

501(c)(3) 501(c)(4) 501(c)(6) 501(c)(7) Other: 501(c)(____) (please insert #)

1-7. What is the Applicant organization's purpose?

1-8. Briefly describe the activities or services provided by the Applicant organization:

1-9. Does the Applicant organization engage in any activities unrelated to the purpose for which it was established? (Please describe)

1-10. Describe how funds received by the Applicant organization are used.

1-11. Does the Applicant organization currently own any real estate, tangible personal property, or vehicles located in Loudoun County or, as to vehicles and personal property, located elsewhere that it intends to move into Loudoun County? Yes No

If yes, please provide a detailed list (below or on an attached sheet) of all property including a brief description, acquisition date, and acquisition cost. For real estate, please include the parcel identification number(s) (PIN), provide a copy of the assessment summary from the Loudoun County

website, www.loudoun.gov, and state the total square footage of the space used by the organization. For vehicles, please include the vehicle identification number (VIN), vehicle make, and vehicle model.

REAL ESTATE

Description/Location	Acreage	PIN	Date Acquired	Purchase Price

VEHICLES

Year/Make	Model	VIN	Date Acquired	Purchase Price

OTHER PERSONAL PROPERTY

Description	Date Acquired	Purchase Price

Itemized Listing Attached? Yes
 No (please explain) _____

1-12. Describe how the property is used:

SECTION II – SCOPE of REVIEW WORKSHEET
(to be completed by ALL APPLICANTS for LOCAL EXEMPTION)

2-1. Real Property Exemptions

<i>Total Assessed Value of Land and Improvements for which an exemption is sought (where applicable, please provide <u>both</u> the fair market and use value assessment):</i>	(A) \$ _____ (FMV)
	\$ _____ (USE)
<i>Total Taxes Levied on the Land and Improvements for which an exemption is sought (where applicable, please provide the tax levied based on fair market value and the tax levied based on use value):</i>	(B) \$ _____ (FMV)
	\$ _____ (USE)

IF the amount in Box 2-1(A) is equal to or greater than \$2,000,000

OR

IF the amount in Box 2-1(B) is equal to or greater than \$25,000

THEN

COMPLETE THE REMAINDER of this APPLICATION

OTHERWISE, COMPLETE ONLY SECTIONS III, V and VI

2-2. Personal Property Exemptions

<i>Total Assessed Value of Personal Property for which an exemption is sought:</i>	(A) \$ _____ (FMV)
<i>Total Taxes Levied on the Personal Property for which an exemption is sought:</i>	(B) \$ _____ (FMV)

IF the amount in Box 2-2(A) is equal to or greater than \$250,000

OR

IF the amount in Box 2-2(B) is equal to or greater than \$10,000

COMPLETE THE REMAINDER of this APPLICATION

OTHERWISE, COMPLETE ONLY SECTIONS III, V and VI

SECTION III – to be completed by ALL APPLICANTS for LOCAL EXEMPTION

3-1. From what source(s) does the Applicant receive funds or other support for its activities?
(Check all that apply, and provide amount received in prior year)

SOURCE		AMOUNT (\$)	SOURCE		AMOUNT (\$)
<input type="checkbox"/>	Federal government		<input type="checkbox"/>	Cash donations from individuals	
<input type="checkbox"/>	State government		<input type="checkbox"/>	In-kind contributions from individuals	
<input type="checkbox"/>	Local government		<input type="checkbox"/>	Other (describe)	
<input type="checkbox"/>	Private foundations		<input type="checkbox"/>		
<input type="checkbox"/>	Educational institutions		<input type="checkbox"/>		
<input type="checkbox"/>	Other non-governmental organizations		<input type="checkbox"/>		

3-2. On the supplemental sheets provided, please furnish the following information:

- (A) The names and mailing addresses of the Applicant’s officers, directors, members, trustees or partners, as applicable.
- (B) The salaries or other compensation, if any, paid to the Applicant’s officers and directors.
- (C) The salaries and other compensation received by the Applicant’s 3 highest-paid employees.

**SECTION IV – DESIGNATED APPLICANTS for LOCAL EXEMPTION ONLY
(see SECTION II, above)**

- 4-1. Please provide the following fiscal impact information for the most recent fiscal year period:
- a. Total number of persons employed by the Applicant
 - b. Number of employees residing in Loudoun County
 - c. Place of residence of other employees
 - d. Average annual income (all employees)
 - e. Average annual income (employees residing in Loudoun County)
 - f. Actual contributions by the Applicant for Loudoun County-related public facilities, improvements or other needs
 - g. Actual contributions by the Applicant in the nature of services or resources provided in Loudoun County

FISCAL YEAR: _____

4-2. Please provide the following Community Impact information:

- a. Describe the extent to which services provided by the Applicant directly benefit Loudoun residents.
- b. Identify existing services (or future planned services) offered by the Applicant that are similar to those already offered by existing for-profit organizations in Loudoun County.
- c. Identify existing services (or future planned services) offered by the Applicant that are similar to those already offered by Loudoun County government and specify the County departments/agencies providing those services.
- d. Identify existing services (or future planned services) offered by the Applicant that are similar to those already offered by existing non-profit organizations in the County. Please identify those existing non-profit organizations.

4-3. The standard in the Washington D. C. Metro Region (3-year average) for directors' compensation (salary and benefits) for similar non-profit organizations is:

4-4. The standard in the Washington D. C. Metro Region (3-year average) for officers' compensation (salary and benefits) for similar non-profit organizations is:

4-5. The standard in the Washington D. C. Metro Region (3-year average) for compensation (salary and benefits) received by the 3 highest-paid employees for similar non-profit organizations is:

4-6. If not specifically identified in the financial statements provided with this application, please state the annual amount spent by the Applicant during the preceding 2 fiscal years for the following purposes:

	Fiscal Year _____	Fiscal Year _____
Marketing or Promotion	\$ _____	\$ _____
Government Relations	\$ _____	\$ _____

4-7. Please provide the following documents with this Application. If any requested document is not available, please identify the document and provide a brief explanation.

- a. Certified true copies of federal tax filings (Forms 990/990T) for two prior years
- b. Financial statements for two prior years, certified (notarized) as true, complete and accurate

SECTION V – to be completed by ALL APPLICANTS

5-1. Please provide a copy of each of the following documents* with this Application. If any requested document is not available, please identify the document and provide a brief explanation.

**Unincorporated churches which do not have Articles of Incorporation, an IRS determination letter, or Federal tax returns, are asked to supply as much documentation as is available to confirm the establishment of a church which holds regularly scheduled and on-going worship services and provides charitable services for the community.*

A	IRS Exemption Determination Letter
B	Certificate of Good Standing from the State Corporation Commission
C	Mission Statement, if any
D	Articles of Incorporation or Organization, and any amendments thereto
E	Bylaws or Constitution, and any amendments thereto
F	Admission, membership and/or employment application(s), if any
G	Resolution, minutes or other evidence of action by the Applicant organization that authorizes the filing of this application.
H	Pamphlets, brochures, weekly bulletins, annual reports, newsletters, course catalogs, tuition/fee schedules, certifications or accreditations, visitor or new member information packets and any other promotional literature that describes the religious, charitable, patriotic, historical, benevolent, cultural, educational or recreational purpose of the Applicant organization.
I	Current alcoholic beverage license issued by the Virginia Alcoholic Beverage Control Board for use on the property, if applicable

Please note: You may be asked to provide additional information for clarification.

5-2. The space below is provided for any additional comments or remarks the Applicant desires to make. If the comment pertains to a particular request for information contained in the Application, please reference the applicable question number.

SECTION VI – to be completed by ALL APPLICANTS

This Application is submitted on behalf of the Applicant Organization by –

Name: _____

Title: _____

Date: _____

STATE OF VIRGINIA
COUNTY OF LOUDOUN

I, _____ (Name), as _____ (Title) of
_____ (Name of Organization) hereby certify that:

(please initial in the space provided)

- _____ (a) I have read this Application and know the contents thereof;
- _____ (b) the organization does not have any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex or national origin;
- _____ (c) the organization is current in all its obligations to the County;
- _____ (d) the organization is in compliance with all County ordinances and regulations;
- _____ (e) no services provided by the organization benefit or inure to the benefit of one individual or particular individuals;
- _____ (f) the information provided in this Application *(including all financial statements and fiscal analyses, if any)* is true, complete and accurate to the best of my knowledge and belief; and
- _____ (g) I am authorized to submit this Application on behalf of the organization.

(Signature of Officer)

Subscribed, sworn to and acknowledged before me, in person, in my jurisdiction aforesaid on _____, 20____.

_____, Notary Public

My commission expires:



Loudoun County Government
FY 2014 Adopted Fiscal Plan

Tax Exemptions by Board Action

A 2002 amendment to the State Constitution, effective January 1, 2003, directed localities to determine which organizations will be exempt from local property taxes. Previously, the General Assembly granted tax exemptions; tax exemptions previously granted by the General Assembly remain in place. The Board of Supervisors has placed a moratorium on new tax exemption applications.

The table below shows the current estimated property assessments and revenue impacts for property exempted by the Board of Supervisors.

Legal Entity Name	Real Property		Personal Property		Total
	Calendar Year (CY) 2013 Assessment	Revenue Exempted	Calendar Year (CY) 2013 Assessment	Revenue Exempted	Annual (CY) Revenue Exempted
Air Force Retired Officers Community	\$82,632,630	\$995,723	\$1,271,739	\$53,413	\$1,049,136
American Water Resources Association	N/A	N/A	10,982	461	461
Evelyn Alexander Home for Animals Foundation, Inc.	N/A	N/A	41,985	1,763	1,763
Friends of Homeless Animals, Inc	889,510	10,719	14,588	613	11,331
Howard Hughes Medical Research Institute	146,706,000	1,767,807	25,184,100	1,057,732	2,825,539
Jack Kent Cooke Foundation	8,649,150	104,222	318,416	13,373	117,596
Life Line, Inc. ¹	25,790	311	N/A	N/A	311
Loudoun County Transportation Association	3,636,410	43,819	N/A	N/A	43,819
Prison Fellowship Ministries Foundation	21,274,710	256,360	N/A	N/A	256,360
Prison Fellowship Ministries International	N/A	N/A	497,773	20,906	20,906
Virginia Regional Transportation Association	474,940	5,723	2,404,207	100,977	106,700
Total	\$264,289,140	\$3,184,684	\$29,743,790	\$1,249,239	\$4,433,923

N/A: Not applicable.

Totals may not equal sums because of rounding.

¹ Prorated assessment. Effective January 15, 2013, property was transferred to a non-qualifying entity.