

VIRGINIA ACTS OF ASSEMBLY -- 1999 RECONVENED SESSION

CHAPTER 979

An Act to amend the Code of Virginia by adding in Chapter 36 of Title 58.1 an article numbered 4.1, consisting of a section numbered 58.1-3651, relating to property tax exemptions.

[H 1679]

Approved April 7, 1999

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 36 of Title 58.1 an article numbered 4.1, consisting of a section numbered 58.1-3651, as follows:

Article 4.1.

Property Exempt from Taxation by Classification and Designation after December 31, 1999.

§ 58.1-3651. Post-1999 property exempt from taxation by classification and designation.

A. On and after January 1, 2000, real or personal property of an organization classified and designated by ordinance of the local governing body as an organization existing exclusively for a religious, charitable, patriotic, historical, benevolent, cultural or public park and playground purpose as set forth in Article X, Section 6 (a) (6) of the Constitution of Virginia, the particular purpose for which such organization is classified being specifically set forth by the local governing body, shall be exempt from taxation so long as such organization is operated not for profit and the property is used in accordance with the purpose for which the organization is classified and designated.

The locality in which the organization is located shall make such classification and designation by ordinance. The ordinance shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. At least five days prior to the date set for a hearing, the local governing body shall publish notice of the hearing once in a newspaper of general circulation in such locality. The notice shall include the assessed value of the real and personal property owned by the organization requesting the exemption and the amount of the property taxes that either were paid or would have been paid in the most recent years. The local governing body may collect the cost of publication from the organization requesting the property tax exemption.

Before adopting any such ordinance, the governing body shall find that:

1. The organization is exempt from taxation pursuant to § 501 (c) (3) or § 501 (c) (4) of the Internal Revenue Code of 1986.

2. It approves the purpose for a current annual alcoholic beverage license for serving alcoholic beverages issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property if applicable.

3. The directors or officers of the organization are not paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director or officer actually renders.

4. No part of any of the net earnings of such organization inures to the benefit of any individual.

5. The organization provides services for the common good of the public.

6. No rule, regulation, policy, or practice of the organization discriminates on the basis of religious conviction, race, color, sex or national origin.

7. The revenue impact to the locality and its taxpayers by exempting the property is outweighed by the good provided by the organization.

The governing body shall consider any other criteria, facts and circumstances which it deems pertinent to the adoption of such ordinance, including specific consideration of (i) whether any significant portion of the service provided by the organization is generated by funds received from donations, contributions or local, state or federal grants; (ii) whether a substantial part of the activities of the organization involve carrying on propaganda, or otherwise attempting to influence legislation; and (iii) whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office.

B. Any exemption provided for in this section shall terminate four years from the effective date of such exemption unless the exemption is renewed pursuant to the procedure set forth in subsection A.

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

2. That the provisions of this act shall not become effective unless reenacted by the 2000 Session of the General Assembly.