



Office of the Town Manager
Frank Cassidy

Warrenton Town Council

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STAFF REPORT

Council Meeting Date:	May 14, 2024
Agenda Title:	An Ordinance Exempting Real Property Owned by the Cortona Foundation and the PATH Foundation from Taxation Pursuant to Va. Code § 58.1-3651
Requested Action:	Consider the exemption request and adopt the ordinances
Department / Agency Lead:	Finance
Staff Lead:	Stephanie Miller, Finance Director

EXECUTIVE SUMMARY

The Fauquier County Commissioner of the Revenue serves as the assessor for properties located in town. Charitable organizations may apply for exemption from taxation with the Fauquier County Commissioner of the Revenue. If approved, those parcels are marked as exempt in the Commissioner's database. As such, those properties are not included in the land book provided by the County to the Town. During Fiscal Year 2024, the County has exempted the property of two additional organizations – the Cortona Foundation and the PATH Foundation.

BACKGROUND

Fauquier County has provided local County tax exemption for two organizations that own property located within the Town during the past year. A listing of the parcels and assessed value is shown below.

Owner	Address	PIN	Assessed Value	Tax
The Cortona Foundation	79 East Lee St.	6984-43-3019-000	\$624,400	\$250.38
PATH Foundation	511 Falmouth St.	6983-69-5456-000	\$1,380,800	\$553.70
PATH Foundation	unassigned (PCL B)	6983-69-7548-000	\$150,000	\$60.15

Please note that the two parcels owned by the PATH Foundation have been recently acquired.

Va. Code § 58.1-3651 states that, "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, including a single member limited liability company whose sole member is 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, sexual orientation, gender identity, or national origin."

Fauquier County requires that owners wishing to obtain exempt status complete an application to provide proof of eligibility under the Code. Parcels approved for this exemption are required to submit annual renewal applications to ensure that the conditions for eligibility still apply.

STAFF RECOMMENDATION

Consider the properties exempted from County taxation by resolution of the County Board of Supervisors. If the Council wishes to exempt the properties, a motion may be made to adopt the ordinance.

Service Level/Policy Impact

There is no service level impact. From a policy perspective, exempting the properties could be viewed as providing support for the non-profits on the list.

Fiscal Impact

Based on the latest assessment and current real estate tax rate of \$0.0401 per \$100 of assessed value, the annual fiscal impact is \$864.23 based on current assessed value and current tax rate.

Legal Impact

- Va. Code § 58.1-3256 states that “Any town which has failed to conduct a general reassessment within five years shall use only those assessed values assigned by the county.” The code is silent as to locally exempt properties.
- Va. Code § 58.1-3903 states that the tax-assessing officer of a town shall list and assess any local tax that has not been assessed for any of the three preceding tax years.
- Va. Code § 58.1-3651 requires a public hearing prior to passing an ordinance to exempt property from local taxation.

ATTACHMENTS

1. An Ordinance Exempting Real Property Owned by the Cortona Foundation from Taxation Pursuant to Virginia Code Sec. 58.1-3651.
2. An Ordinance Exempting Real Property Owned by the PATH Foundation from Taxation Pursuant to Virginia Code Sec. 58.1-3651.