



Office of the Town Manager

Christopher E. Martino

STAFF REPORT

Warrenton Town Council

Carter Nevill, Mayor

Heather Sutphin, Ward 1

William Semple, Ward 2

Brett Hamby, Ward 3

James Hartman, Ward 4 Vice Mayor

Jay Heroux, Ward 5

Paul Mooney, At Large

David McGuire, At Large

Council Meeting Date:	August 8, 2023
Agenda Title:	An Ordinance Exempting Real Property Owned by Various Organizations from Taxation Pursuant to Va. Code § 58.1-3651
Requested Action:	Consider the exemption request and adopt the ordinance
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. In 2022, the Commissioner notified us that several properties had been exempted from county taxation by resolution of the County Board of Supervisors. As such, those properties were not included in the land book provided by the county to the town. These properties have consequently not been taxed by the town. The Town Council reviewed the listing of properties and wishes to similarly exempt the properties from local taxation by the town.

BACKGROUND

Fauquier County has provided local county tax exemption for a total of 34 parcels located within the town, with 15 different property owners, shown below. Two of the properties are owned by the Warrenton Horse Show Association, which will transition to the town upon completion of the sale later this year.

Owner
Fauquier Community Food Bank & Thrift Store
Fauquier Family Shelter Services, Inc.
Fauquier Habitat for Humanity
Highland School Educational Foundation, Inc.
Hospice Support of Fauquier County, Inc.
IOOF Charity Lodge #27 Trustees
Mt. Carmel Lodge #133 Ancient Fr
Oak Springs Association Limited Partnership
PATH Holdings I LLC
PATH Holdings II LLC
PATH Holdings III LLC
Sudduth John D Post No. 72, Inc.
View Tree Masonic Lodge
Warrenton Horse Show Association
The Warrenton Meeting Place

A complete listing of the parcels and assessed values is attached to the agenda item.

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. Beginning next year, the County will require that owners submit a renewal application 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 and determine if the Council wishes to adopt a similar resolution or assess the taxes retroactively. If the Council wishes to exempt the properties, then staff will draft the ordinance for the August agenda.

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 \$22,746.

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. List of properties exempted from county taxation by resolution of the Fauquier County Board of Supervisors
2. A Resolution Authorizing Staff to Advertise a Public Hearing to Exempt Property by Designation Pursuant to Va. Code § 58.1-3651