

RESOLUTION ADOPTING PROCEDURES FOR CONSIDERING
TAX EXEMPTION FOR REAL PROPERTY LOCATED IN THE
CITY OF FALLS CHURCH

WHEREAS, Section 58.1-3651 of the Code of Virginia gives authority to the City Council of the City of Falls Church to provide for exemption from tax for certain property located within the City; and

WHEREAS, City Council is resolved to adopt best practices in the prudent exercise of this authority.

THEREFORE, BE IT RESOLVED that the Falls Church City Council adopts a set of procedures for considering tax exemption as follows:

Section 58.1-3651 of the Code of Virginia outlines the criteria to be considered by City Council to grant exemption to any entity from tax on property located in the City. This State Code section is listed in its entirety at the end of the policy for ease of reference.

The procedure shall be as follows:

The entity shall complete the City application form and submit it to the Treasurer no later than September 30 for tax exemption with implementation no sooner than January 1 of the subsequent tax year or by Council authorized effective date. The City Manager shall designate City's department, which best meets the public purpose of the applicant, to review all applications received and recommend to Council approval or denial based upon the information provided by the applicant. Consideration shall be given to applications as listed below.

The following questions shall be considered by Council:

- Is the organization exempt from taxation pursuant to § 501 of the Internal Revenue Code?
- Does the organization provide services for the common good of the public?
- Is a significant portion of the service provided by such organization generated by funds received from donations, contributions, or local, state or federal grants?
- Has the organization received funding from the City for a minimum of three consecutive years prior to making application?
- Has a current annual alcoholic beverage license for serving alcoholic beverages been issued by the Virginia Alcoholic

Beverage Control Board to such organization, for use on such property?

- Is any director, officer, or employee of the organization paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders?
- Does any part of the net earnings of such organization inure to the benefit of any individual?
- Does a substantial part of the activities of the organization involve 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?
- What is the revenue impact to the locality and its taxpayers of exempting the property?
- Other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance which include:
 - The applicant has been receiving funding from the City of Falls Church for at least three prior consecutive fiscal years;
 - The property is a multiple public purpose development; and
 - The request is consistent with the City Council adopted Vision, Comprehensive Plan, Legislation and Regulations.

This procedure provides a framework for considering the granting of tax exemption. The granting of exemption is the sole prerogative of the City Council of Falls Church as a matter of public policy and there is nothing in this procedure that may be interpreted as either requiring or prohibiting the granting of a request for exemption.

Reading: 10-27-08
Adoption: 10-27-08
(TR8-52)

IN WITNESS WHEREOF, the foregoing was adopted by the City Council of the City of Falls Church, Virginia on October 27, 2008 as Resolution 2008-47.

Kathleen Clarken Buschow
City Clerk