

***Policy for Making Grants
to Designated Nonprofit Organizations***
August 12, 2003

The Council of the City of Newport News hereby promulgates its policy regarding approval of grants to designated nonprofit organizations owning real property within the City of Newport News .

SECTION 1. PURPOSE AND SCOPE OF POLICY

Certain nonprofit organizations owning real property within the City of Newport News are eligible to be exempted from payment of real property taxes by classification or designation pursuant to authority granted by the General Assembly. The Council has adopted local implementing legislation which permits designation of certain nonprofit organizations as tax exempt from real property taxes. Grant of such tax exempt status, however, is very inflexible and does not take into account the City's fiscal condition on an ongoing basis. The purpose of this policy is to establish a mechanism for making grants to certain nonprofit organizations which acknowledges their special status but requires annual grants by the Council in lieu of a grant of tax exempt status.

SECTION 2. DEFINITIONS

For the purposes of this Policy, the following definitions shall apply:

- 2.1 Nonprofit organization. A nonprofit organization using real or personal property for religious, charitable, patriotic, historical, benevolent, cultural or public park and playground purposes.
- 2.2 Grant Eligible Organization. A nonprofit organization having received Council approval for receipt of grants in accordance with this Policy.
- 2.3 Grant Eligibility List. A list of Grant Eligible Organizations.
- 2.4 The Council. The Council of the City of Newport News, Virginia.
- 2.5 The City. The City of Newport News, Virginia.

SECTION 3. APPLICATION FOR AND APPROVAL OF GRANTS

The following procedure shall be followed to apply for and receive grants:

- 3.1 Initial Application to the Council. Nonprofit organizations wishing grants equivalent to their annual real estate taxes shall make application through the City Manager or his designee. The Application shall include the information otherwise required for tax exempt status by designation as set forth in *City Code* Sec. 40.8.1.
- 3.2 Council Approval for Grant Eligibility. The Council shall consider the Application at a regular or special Council meeting and approve or deny the Application.
- 3.3 Application for Grant Approval. After the Council approves grant eligibility, the Grant Eligible Organization shall be included on the Grant Eligibility List. All organizations on the Grant Eligibility List shall make annual applications for grants as a part of the Community Support Grant section of the City's Operating Budget.
- 3.4 Grant Approval.
 - 3.4.1 During the development of each fiscal year's Operating Budget, the City Manager shall compute the sum equivalent to the previous year's real estate taxes for each Grant Eligible Organization on the Grant Eligibility List.

- 3.4.2 The City Manager shall include in the proposed Operating Budget a recommendation regarding funding the grants included on the Grant Eligibility List.
- 3.4.3 The Council shall approve or disapprove funding for the Grant Eligibility List as a part of its approval of the Operating Budget.
- 3.5 Grant Disbursement. On or before July 15th of each fiscal year, the City Manager shall cause the grant funds to be disbursed if they have been included in the approved Operating Budget. Grant funds shall not be disbursed for any Grant Eligible Organization which failed to pay required real estate taxes on or before the due date for such payment.

SECTION 4. ADDITIONAL REQUIREMENTS AND CONDITIONS

The following requirements and conditions shall apply as a part of implementation of this Policy:

- 4.1 Organizations may not be included on the Grant Eligible List if the City may not make grants to them as permitted by State and local law (e.g., *City Charter* Sec. 2.02G and *Virginia Code* §15.2-953).
- 4.2 Organizations not eligible for inclusion on the Grant Eligible List may apply for Council exemption by designation pursuant to applicable provisions of Chapter 40 of the *City Code*. The City Attorney shall make initial determinations concerning eligibility for inclusion on the Grant Eligible List, but the Council shall make the final determination if so requested by a nonprofit organization.
- 4.3 Only those organizations not eligible for inclusion on the Grant Eligible List may apply for tax exempt status by designation; if eligible, nonprofit organizations shall receive grant support only through the procedure set forth in this Policy.

SECTION 5. CITY MANAGER TO PROMULGATE IMPLEMENTING REGULATIONS AND PROCEDURES.

The City Manager is hereby authorized to promulgate necessary regulations and procedures to implement this Policy. This authority is intended to permit the development of appropriate forms and administrative procedures to enable the Policy to be fully implemented.