

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 16, 2009

**Action Agenda
Item No.** 4-g

SUBJECT: Applications for Property Tax Exemption/Exclusion

DEPARTMENT: Assessor

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

Exempt Status Resolution
Spreadsheet
Requests for Exemption/Exclusion

INFORMATION CONTACT:

John Smith, 245-2101

PURPOSE: To consider seven (7) untimely applications for exemption/exclusion from ad valorem taxation for the 2008 tax year.

BACKGROUND: North Carolina General Statutes state applications for exemption must be filed during the normal listing period, which is during the month of January. NCGS 105-282.1(a)(5) does allow some discretion. Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the close of the listing period may be approved by the Department of Revenue, the board of equalization and review, the board of county commissioners, or the governing body of a municipality, as appropriate. An untimely application for exemption or exclusion approved under this subdivision applies only to property taxes levied by the county or municipality in the calendar year in which the untimely application is filed.

Four applicants are applying for homestead exclusion based on NCGS 105-277.1, which allows exclusion of the greater of twenty-five thousand dollars (\$25,000) or fifty percent (50%) of the appraised value of the residence. Based on the information supplied in the current application and the above referenced general statutes the applicants can be approved for 2008. The opinion of the Assessor is the information provided to date satisfies the good cause requirement of NCGS 105-282.1(a)(5) and these properties should be approved for exclusion.

There are currently 928 parcels receiving benefit of the homestead exclusion. With the approval of these homestead applications, there will be 932 parcels receiving homestead exclusion for the 2008 tax year.

FINANCIAL IMPACT: The reduction in the County's tax base associated with approval of these exemption applications will result in a reduction of 2008 taxes due to the County, municipalities, and special districts in the amount of \$8,825.55. For FY 2008/2009, the total net reduction in revenue for late exemption/exclusions is \$51,871.90.

RECOMMENDATION: The Manager recommends the above listed applications for 2008 exemption be approved.

NORTH CAROLINA

ORANGE COUNTY

EXEMPTION/EXCLUSION RESOLUTION

Whereas, North Carolina General Statutes 105-282.1 empowers the Board of County Commissioners to approve applications for exemption after the close of the listing period, and

Whereas, good cause has been shown as evidenced by the information packet provided, and

Whereas, the Assessor has determined that the applicants could have been approved for 2008 had applications been timely.

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF COUNTY

COMMISSIONERS OF ORANGE COUNTY THAT the properties applying for exemption for 2008 are so approved as exempt.

Upon motion duly made and seconded, the foregoing resolution was passed by the following votes:

Ayes: Commissioners _____

Noes: _____

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the recorded minutes of the Board of Commissioners for said County at a regular meeting of said Board held on _____ said record having been made in the Minute Book of the minutes of said Board, and is a true copy of so much of said proceedings of said Board as relates in any way to the passage of the resolution described in said proceedings.

WITNESS my hand and the corporate seal of said County, this ____ day of _____, 2009.

Clerk to the Board of Commissioners

Late Exemption/ Exclusion NCGS 105-282.1(a1)

June 16, 2009

| Name | Map Ref | Tract # | Old Value | (Taxable) New Value | Value Difference | Rate Code | Financial Impact | Property Description | Reason for Adjustment |
|------------------------|-------------|---------|-----------|------------------------|---------------------|--------------|---------------------|-------------------------|---|
| Bobby Crawford | 2.47..7A | 244817 | 184,571 | 118,816 | -65,755 | 00 | -697.66 | Residence | Late homestead exclusion is for 2008 Owner applied for late homestead exclusion after the regular listing period. |
| Lyndell Aycock Roberts | 6.40..16B | 656903 | 231,476 | 136,561 | -94,915 | 01 | -1,004.20 | Residence | Late homestead exclusion is for 2008 Owner applied for late homestead exclusion after the regular listing period. |
| Adean Florence | Acct 149881 | | 15,050 | 0 | -15,050 | 22 | -272.25 | Residence | Late homestead exclusion is for 2008 Owner applied for late homestead exclusion after the regular listing period. |
| Stone Circles | 6.16..2B | 640901 | 579,029 | 164,987 | -414,042 | 10 | -4,306.04 | Business | Late exemption is for 2008 Owner applied for late exemption after the regular listing period. Partial exemption granted. |
| Stone Circles | 6.16..17B | 601517 | 245,285 | 170,099 | -75,186 | 10 | -801.28 | Business | Late exemption is for 2008 Owner applied for late exemption after the regular listing period. Partial exemption granted. |
| Stone Circles | 6.16..16 | 600384 | 253,183 | 115,896 | -137,287 | 10 | -1,431.54 | Business | Late exemption is for 2008 Owner applied for late exemption after the regular listing period. Partial exemption granted. |
| Mildred Pruessing | 3.46..1H | 329799 | 74,778 | 59,524 | -15,254 | 03 | -312.58 | Residence | Late homestead exclusion is for 2008 Owner applied for late homestead exclusion after the regular listing period. |
| | | | | | -817,489 | | -8,825.55 | | |

Date 12-30-08

To Whom It May Concern:

I Lydia Crawford, am applying for a late Homestead

Exemption for year 2008 on Tract # 244817 because I

Was not aware that this exemption was available to me.

Just found out about the exemption.

Signature Lydia Crawford

How did you find out about this exemption?

My Daughter

5

DATE 12-31-08

To Whom It May Concern:

I Lynell Aycock Robert, am applying for a late Homestead Exemption for year 2008 on Tract # _____ because I

_____ Was not aware that this exemption was available to me.

Just found out about the exemption.

Signature Lynell Aycock Robert

How did you find out about this exemption?

this office

Date 5/1/09

To Whom It May Concern:

I Adean Florence, am applying for a late Homestead

Exemption for year 2008 on Tract # 149881 because I

X Was not aware that this exemption was available to me.

 Just found out about the exemption.

Signature Adean Florence

How did you find out about this exemption?



UNC
SCHOOL OF LAW

THE UNIVERSITY
of NORTH CAROLINA
of CHAPEL HILL

CLINICAL PROGRAMS

VAN HECKE-WETTACH HALL
101 ROCKY JUDGE ROAD
CHAPEL HILL, NC 27514

T 919.962.1107
F 919.962.3375
www.law.unc.edu

January 28, 2008

Ms. Gail Jones
Orange County Assessor's Office
200 South Cameron Street
Post Office Box 8181
Hillsborough, NC 27278

Re: Stone Circles Property Tax Exemption

Parcel ID No. 9821-31-8983 (Account No. 302434)

Parcel ID No. 9821-42-4618 (Account No. 302435)

Parcel ID No. 9821-33-1460 (Account No. 302436)

Dear Ms. Jones:

The following materials are submitted on behalf of Stone Circles, Inc., a North Carolina nonprofit corporation (hereinafter "Stone Circles"), in support of its Application for Property Tax Exemption. In addition to the required Form AV-10 Application for Property Tax Exemption, please find the following documents enclosed:

- Articles of Incorporation of Stone Circles
- Bylaws of Stone Circles¹
- Stone Circles' IRS Exemption Letter

The remainder of this letter will serve to supplement the above listed materials and provide additional information relevant to the exemption application. Specifically, the paragraphs below will describe the organizational history and mission of Stone Circles as well as the various activities carried out on the property in question.

I. Organizational History and Mission

Stone Circles is a North Carolina nonprofit corporation organized pursuant to Chapter 55A of the North Carolina General Statutes and exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Specifically, Stone Circles is classified as a "public charity" under section 170(b)(1)(A)(vi) of the Code.

The mission of Stone Circles is to support activists and sustain the work of justice through spiritual practice and principles. The organization strives to create sustainable movements for lasting social change by working with individual leaders and activists,

¹ It should be noted that the Bylaws of Stone Circles included with this application state that the principal office of the organization shall be located in Durham County, North Carolina. These Bylaws are currently in the process of being amended to reflect the organization's relocation to Orange County.

8

nonprofit organizations, and national coalitions that are interested in the intersection of spiritual practice and social change. Ultimately, Stone Circles works to create a world in which activists and leaders achieve greater victory in their quest for justice, where organizations have the tools and the will to integrate reflection into their organizational forms and strategies, and where people can connect with each other through communities of learning and practice that allow for greater sustainability, happiness, and effectiveness.

In carrying out its mission and striving toward the goals described above, Stone Circles has organized retreats, workshops, and training programs for social change activists and organizations. Stone Circles works with activists and organizations on issues such as community building, youth development, education and health services, spirituality, and social change. In its various workshops, Stone Circles helps organizations structure a reflection-based organizational culture and assists activists in increasing sustainability by exploring the inner workings of their leadership. Similarly, Stone Circles facilitates retreats that focus on sustainable activism and the inner work of leadership. These retreats include time for spiritual practice and quiet reflection, along with dialogue and strategic collaboration. Finally, Stone Circles has developed a training curriculum designed to strengthen the spiritual path and facilitation skills of individual leaders and activists. These training programs provide the tools, support, and strategies necessary to impact social change organizations and communities.

Recognizing that movements for social justice thrive in places of sustenance, spiritual renewal, and contemplative retreat, Stone Circles purchased seventy acres of property located at 6602 Nicks Road in Mebane, North Carolina. This property, which is the subject of this exemption application, was purchased by Stone Circles on August 28, 2007 from the Human Kindness Foundation, and has been named "The Stone House: A Center for Spiritual Life and Strategic Action" (hereinafter the "Stone House property"). The next section below will describe the specific activities currently being conducted on the property.

II. Activities

The Stone House property is currently being used to facilitate the retreats, workshops, and training programs for social change activists and organization leaders which Stone Circles has developed. As described above, these programs focus on spirituality, sustainable activism, social change, and the inner work of leadership. The property is used to carry on these "core programming activities." The property provides the necessary space and facilities for Stone Circles' programs in terms of both buildings and land.

First, as to improvements, the property consists of several buildings which are listed in Question 2 on the Application for Property Tax Exemption. The major structures are the "Main House," "Meditation Hall," and "Outdoor Pavilion," each of which provide the large space necessary for group workshops, retreats, and training programs. The foundation of these programming activities involves the practice of mindfulness meditation and contemplative practice, along with periods of collaboration,

9

dialogue, and teamwork. The "Studio" is also used to carry out Stone Circles' core programming activities and provides an additional space for training and meditation. Additionally, there are six "Cabins" on the property. Three of these cabins are used to house the primary staff members of Stone Circles. The remaining three cabins are used to provide sleeping spaces for Stone Circles' program and retreat participants. The two "Hermitages" provide additional space for meditation, particularly for those retreat participants that seek a more solitary and secluded environment. The final three buildings on the property labeled as "Workshops" are used for storage, general maintenance, and upkeep of the Stone House property and facilities.

In addition to the buildings described above, the remaining land on the Stone House property is also used to facilitate Stone Circles' retreats, workshops, and training programs. As mentioned above, Stone Circles' core programming activities are fundamentally based on meditation and contemplative practice. The land comprising the Stone House property not only ensures the seclusion, peace, and tranquility necessary for meditation which is practiced within the buildings, but it also allows for outdoor meditation. In other words, the land itself is used for meditation and contemplative practice, two activities which make up the foundation of Stone Circles' retreat programs. The land is also used for other outdoor retreat activities, including large group workshops and training programs. Additionally, the land is used for sustainable agriculture and farming, activities which are integrated within the Stone Circles programs. The retreat programs emphasize living in harmony with the land and each other, core values which can be learned and reflected through sustainable agriculture practice.

III. Conclusion

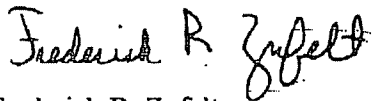
Based on the activities described above, and as indicated in Questions 6 and 7 on the Application for Property Tax Exemption, Stone Circles' claim for exemption is based on section 105-278.7 of the North Carolina General Statutes. The workshops, retreats, and training program activities should be considered "educational," as defined under subsection 105-278.7(f)(1). As described above, the Stone Circles programs involve training activists and leaders on methods and strategies of sustainable activism, spirituality, and social change. The program participants are also trained to develop skills in community building and organizational development. As such, these activities involve the "transmission of information and the training or development of the knowledge or skills of individual persons" and should therefore be considered "educational." N.C. Gen. Stat. § 105-278.7(f)(1) (2007).

Furthermore, the activities carried out on the Stone House Property should be considered "charitable" within the meaning of section 105-278.7(f)(4) because these programs have "humane and philanthropic objectives." N.C. Gen. Stat. § 105-278.7(f)(4) (2007). Specifically, all of the activists and leaders who participate in the Stone Circles programs are involved with organizations and communities that address suffering and injustice in our world. The skills developed through Stone Circles' programs thus not only serve the individual program participants, but also the organizations and communities whom these participants in turn serve. As such, the activities being carried

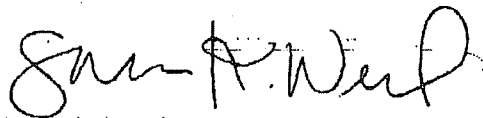
10
out on the Stone House property are those that benefit "humanity or a significant rather than limited segment of the community." N.C. Gen. Stat. § 105-278.7(f)(4) (2007). They are activities that benefit the community at large, and should therefore be considered "charitable."

Based on the information described above, Stone Circles hereby submits its Application for Property Tax Exemption. If any additional information is necessary, please contact us at the University of North Carolina School of Law, Clinical Programs Office, at the address and number listed above. Thank you in advance for your time.

Most sincerely,



Frederick R. Zufelt
Certified Third Year Law Student
Community Development Law Clinic
University of North Carolina School of Law



Sara K. Weed
Certified Third Year Law Student
Community Development Law Clinic
University of North Carolina School of Law

FILED

JAN 05 2009

ORANGE CO TAX OFFICE

Date 1-1-2009

To Whom It May Concern:

I Mildred O Pruessing, am applying for a late Homestead

Exemption for year 2008 on Tract # _____ because I

Was not aware that this exemption was available to me.

Just found out about the exemption.

Signature Mildred O Pruessing

How did you find out about this exemption?

Article in newspaper

(11)