

PROPERTY TAX EXAMPLES

Missouri

5.74.040 Public Art Trust Fund.

The Regional Arts and Cultural Council shall maintain a special fund called the Public Art Trust Fund into which monetary contributions for Public Art shall be deposited.

A. 1.33 percent of the Total Costs of Improvement Projects shall be dedicated to Public Art and shall be deposited into the Public Art Trust Fund by the City official or employee acting on behalf of the Participating Bureau.

1. One percent of the Total Costs of Improvement Projects shall be used by the Regional Arts and Cultural Council for costs associated with Public Art including, but not limited to the acquisition, siting, maintenance and Deaccessioning of Public Art.

2. .33 percent of the Total Costs of Improvement Projects shall be used by the Regional Arts and Cultural Council for costs associated with Public Art, including, but not limited to costs of selection, administration, community education and registration of Public Art.

B. Monetary contributions shall be deposited in separate accounts within the Public Art Trust Fund if separate accounting is requested by the Participating Bureau or required by law.

Montana

7-16-2102. Authorization for tax levy for parks and certain cultural, social, and recreational facilities. (1) Subject to 15-10-420, the board of county commissioners may annually levy on the taxable property of the county, in the same manner and at the same time as other county taxes are levied, a tax for the purpose of maintaining, operating, and equipping parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination of purposes, parks, and facilities.

(2) (a) The board of county commissioners shall submit the question of imposing or the continued imposition of the property tax mill levy provided in subsection (1) to the electors of the county at the next general election if a petition requesting an election, signed by at least 15% of the resident taxpayers of the county, is filed with the county clerk. The petition must be

filed with the county clerk at least 90 days prior to the date of the general election.

(b) The question must be submitted as provided in 15-10-425.

(c) The board of county commissioners shall levy the tax if the question for the imposition of the tax is approved by a majority of the electors voting on the question.

(3) All laws applicable to the collection of county taxes apply to the collection of the tax provided for in this section.

History: En. Sec. 1, Ch. 45, L. 1955; amd. Sec. 1, Ch. 26, L. 1973; R.C.M. 1947, 16-1179(part); amd. Sec. 1, Ch. 639, L. 1985; amd. Sec. 49, Ch. 584, L. 1999; amd. Sec. 17, Ch. 495, L. 2001; amd. Sec. 58, Ch. 574, L. 2001.

San Francisco

CHAPTER 51 VOLUNTARY ARTS CONTRIBUTIONS PROGRAM

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Sec. 51.02.

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Sec. 51.03.

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Sec. 51.04.

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Sec. 51.05.

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SEC. 51.01. PURPOSE AND FINDINGS.

The Board of Supervisors hereby finds and declares that it is in the public interest to facilitate private contributions for the support of the arts in San Francisco. To the extent that members of the public can be encouraged to make donations to nonprofit arts organizations, the cultural quality of life in the City will be enhanced and the need to support such arts activities with public funds will be diminished. This Chapter is therefore enacted to facilitate the collection and distribution of donations from San Francisco residents and other interested members of the public for equipment acquisition, facilities maintenance and capital improvements. (Added by Ord. 79-84, App. 2/23/84)

SEC. 51.02. DUTIES OF TAX COLLECTOR.

(a) The Tax Collector shall develop procedures to solicit contributions from all taxpayers for nonprofit arts organizations in San Francisco. Said procedures shall include, but not be limited to, the inclusion of an explanatory brochure or other material to be mailed in conjunction with all property tax bills, stating that contributions for nonprofit arts organizations may be mailed to the Tax Collector in addition to payments for property taxes.

(b) The Tax Collector shall record the receipt of all contributions received and shall deposit the same into the Voluntary Arts Contributions Fund. (Added by Ord. 79-84, App. 2/23/84)

SEC. 51.03. DUTIES OF MAYOR.

(a) The Mayor, or his or her designee, shall be responsible for the administration of the Voluntary Arts Contributions Fund, and shall have all such authority as may be reasonably necessary to carry out those responsibilities.

(b) The Mayor shall promulgate such rules and regulations as he or she may deem appropriate to carry out the provisions of this Chapter. Such rules and regulations shall be developed in consultation with any appropriate agencies or organizations with which the Mayor, or his or her designee, may choose to consult. Such rules and regulations shall be designed to ensure that nonprofit arts organizations which meet current eligibility requirements for the receipt of funds from the Publicity and Advertising Fund shall also be eligible for the receipt of funds under this Chapter.

(c) The Mayor shall submit a semiannual report to the Board of Supervisors, setting forth an accounting of the amounts disbursed to each nonprofit arts organization and the uses for which said funds were made. (Added by Ord. 79-84, App. 2/23/84; amended by Ord. 287-96, App. 7/12/96)

SEC. 51.04. EXPENDITURES FROM FUND.

It is the intent of the Board of Supervisors that monies deposited into the Voluntary Arts Contribution Fund shall be made available for equipment acquisition, facilities maintenance and capital improvements for the benefit of nonprofit arts organizations.

In evaluating applications for funds under this Chapter, the Mayor shall give preference, where possible, to nonprofit arts organizations with annual budgets of less than \$1,000,000.

It is also the intent of the Board of Supervisors that the maximum degree of cultural and ethnic diversity be achieved among recipients of funds under this Chapter, to insure that minority, disabled, lesbian/gay and other nonprofit arts organizations may share in the benefits of this Fund. In administering the Voluntary Arts Contribution Fund, the Mayor shall give priority to this intent

and shall insure that sufficient funds are available to achieve this purpose.
(Added by Ord. 79-84, App. 2/23/84; amended by Ord. 287-96, App. 7/12/96)

SEC. 51.05. SEVERABILITY.

If any provisions of this ordinance or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the ordinance and the applicability of such provisions to other persons and circumstances shall not be affected thereby. (Added by Ord. 79-84, App. 2/23/84)

Topeka, KS

ARTICLE III. PROPERTY TAXES

DIVISION 1. GENERALLY

Secs. 138-61--138-75. Reserved.

DIVISION 2. EXEMPTIONS FOR NEW OR EXPANDING BUSINESSES*

***Cross references:** Businesses, ch. 30.

State law references: Exemption of property for economic development purposes, Ks. Const. art. 11, § 13; limitations on authority to grant exemptions pursuant to same, K.S.A. 79-251 et seq.

Sec. 138-76. General objectives.

(a) The securing of private economic growth and development and the addition of new jobs within the community are important current and long-term objectives of this city. The granting of property tax exemptions is one of the tools available under state law to secure these public objectives. The benefit/costs analysis of tax exemptions is important in order to prevent the erosion of the city's tax base and maintain the fiscal capacity to provide the public infrastructure and service necessary to promote economic development. Therefore, property tax exemptions will be linked to job creation and capital investment. For the purposes of this article, "job" is defined as a total of 2,080 hours annually at a qualified business facility. Employees with

less than 2,080 hours annually may be combined with other employees until combined total hours equal 2,080 hours, meeting requirements for one job.

(b) The city council may exempt certain property used for economic development purposes from ad valorem taxes for a maximum of ten years. This discretionary authority is subject to such limitations or prohibitions as may be enacted by the legislature of the state that are uniformly applicable to all cities and counties, and any requirements or conditions imposed by the council. The city may:

(1) Require the owners of any property for which an exemption is requested to provide certain information;

(2) Require owners of property to pay property taxes on a percentage of assessed valuation; and

(3) Require the payment of initial application and annual renewal fees reasonably necessary to cover the costs of administration.

(Code 1981, § 42-31; Ord. No. 16349, § 1, 7-23-91; Ord. No. 17270, § 1, 6-2-98)

Sec. 138-77. Application required

(a) The city will not consider the granting of any tax exemption under this article unless the business submits a full and complete application, and provides such additional information as may be requested by the council. The director of housing and neighborhood development is hereby authorized and empowered to prepare a standard application form which, upon completion, will provide the council with adequate and sufficient information to determine whether a tax exemption should be granted and the amounts thereof. The accuracy of the information provided in the application shall be verified by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any ordinance adopted in reliance on such information. No application shall be received or considered after the start of construction for improvement on which the exemption is sought, provided; however, that an applicant who misses the filing deadline may submit a written statement to the chief administrative officer requesting permission to file the application within the calendar year wherein the construction or improvement is commenced. The applicant must show excusable neglect and reliance upon the tax exemption as an incentive. Upon a finding by the chief administrative officer that there was excusable neglect and that the applicant relied upon the tax exemption as an incentive for the construction or improvement the application will be received and considered.

(b) Any business requesting a tax exemption pursuant to this article shall pay to the city an application fee of \$250.00, which shall be submitted at the same time the application form is submitted. In addition, any business which has been granted a tax exemption shall pay an annual renewal fee in the amount of \$100.00.

(Code 1981, § 42-32; Ord. No. 16349, § 2, 7-23-91; Ord. No. 17270, § 2, 6-2-98; Ord. No. 17400, § 1, 9-7-99)

Sec. 138-78. Initial review procedure.

On receipt of the completed application form and the required fee, the director of housing and neighborhood development shall determine whether the application is complete and sufficient for review, and whether the applicant's business is eligible for an exemption under the state constitution, this article and any other applicable laws. If the application is incomplete, the director of housing and neighborhood development shall immediately notify the applicant, noting the need for such changes or additions as deemed necessary. If questions arise as to whether the business is legally eligible for an exemption, the matter shall be referred to the city attorney, who shall consult with the applicant. If the application is found complete, and is for a purpose which appears to be authorized by law, the director of housing and neighborhood development shall so notify the administrative review committee.

(Code 1981, § 42-33; Ord. No. 16349, § 3, 7-23-91; Ord. No. 17270, § 3, 6-2-98)

Sec. 138-79. Administrative review committee.

There is hereby created an administrative review committee, which shall be composed of the mayor or mayor's designee, who shall serve as chair, the deputy mayor, chief administrative officer, the director of housing and neighborhood development, a representative of the affected school district, and the member of the city council whose district is affected by the request for tax exemption. The committee shall meet on call of the chair. The purpose of the administrative review committee shall be to receive and review requests and applications for tax exemptions, to gather and review such additional information as may be deemed necessary to conduct preliminary negotiations with the applicant business and to make such recommendations as deemed advisable to the council. Administrative review committee records, including applications for tax exemptions, may be withheld from public disclosure as provided for under the Open Records Act (K.S.A. 45-215 et seq.), but shall be available for public inspection when otherwise required by law. The committee

is authorized to issue administrative letters of intent when requested by the applicant upon a finding that the public interest requires confidentiality in order to successfully negotiate the location of the prospective business within the city or an expansion of an existing business. Such administrative letters of intent shall not be binding on the council and shall be superseded by any final action of the council or by any letter of intent issued by the council.

(Code 1981, § 42-34; Ord. No. 16349, § 4, 7-23-91; Ord. No. 17270, § 4, 6-2-98)

Cross references: Boards, commissions and committees, § 2-411 et seq.

Sec. 138-80. Initial council action.

Upon receiving the recommendations of the administrative review committee, the council shall first determine whether to reject the requested exemption or to further the request. Upon a favorable vote for further consideration, the council shall either issue a letter of intent or schedule a public hearing thereon.

(Code 1981, § 42-35; Ord. No. 16349, § 5, 7-23-91; Ord. No. 17270, § 5, 6-2-98)

Sec. 138-81. Notice and hearing.

No tax exemption shall be granted by the city prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place thereof, and the hearing may be held at a regular or special meeting of the council. The city clerk shall thereupon notify the board of county commissioners, the superintendent of the appropriate school district, and the clerk of any other taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business, advising them of the scheduled public hearing and inviting their review and comment. Upon request, the city clerk shall provide any such public agency with a copy of the application. The applicant business shall be invited, but not required, to attend the public hearing.

(Code 1981, § 42-36; Ord. No. 16349, § 6, 7-23-91; Ord. No. 17270, § 6, 6-2-98)

State law references: Public hearing required, K.S.A. 79-251.

Sec. 138-82. Letter of intent.

Upon receiving the recommendations of the administrative review committee, the council may issue a letter of intent, setting forth in general terms its proposed plans for granting a tax exemption and any conditions thereto. Such letters of intent shall be issued only with the approval of the council, and as an expression of good faith intent, but shall not in any way bind the city to the granting of an exemption. Such letters of intent shall expire six months after issuance but may be renewed. A public hearing shall not be required prior to the issuance of letters of intent. No elected or appointed officer, employee or committee of the city, and no chamber, board, development council or other public or private body or individual, shall be authorized to speak for and commit the council to the granting of a tax exemption. Letters of intent issued by the council shall supersede any letters issued by the administrative review committee.

(Code 1981, § 42-37; Ord. No. 16349, § 7, 7-23-91; Ord. No. 17270, § 7, 6-2-98)

Sec. 138-83. Standards for determining benefits.

The city will consider granting tax exemptions only upon a clear and factual showing of direct economic benefit to the city through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. The city council, in determining the amount and term of exemption to be granted, shall consider various factors including, but not limited to, the following:

- (1) The assessed valuation of the property in relation to the economic benefit to the city of increased employment.
- (2) The gain in tax revenue which may result from the new or expanded business, including the increase in the property tax base upon the expiration of the exemption.
- (3) The contribution that the new or expanded business will make towards increased employment and earnings within the community.
- (4) The number of new jobs created directly by the business in relation to the amount of tax exemption granted.

- (5) The kinds of jobs created in relation to the type of skills available from the local labor market.
- (6) The utilization by the business of labor skills and abilities of unemployed persons in the community.
- (7) The degree to which the business improves the diversification of the economy of the city and its environs.
- (8) The degree to which the ultimate market products are outside the community, recognizing that outside markets bring in "new money" to the local economy.
- (9) The potential of the business for future expansion and additional job creation.
- (10) The beneficial impacts the business may have by creating any other new jobs and businesses, including the utilization of local products or other materials and substances in manufacturing.
- (11) The beneficial economic impact the business will have on a particular area of the city, including designated enterprise zones and areas of needed revitalization or redevelopment.
- (12) The compatibility of the location of the business with land use and development plans of the city and the availability of existing infrastructure facilities and essential public service.
- (13) The extent to which additional direct or indirect public costs to the city and to other local units would be necessary, such as the cost of the extension of public facilities.
- (14) The extent to which the economic and employment benefits of the tax exemption accrue to the residents and taxpayers of those taxing subdivisions which indirectly subsidize the business as a result of the foregone tax revenue.

(Code 1981, § 42-38; Ord. No. 16349, § 8, 7-23-91; Ord. No. 17270, § 8, 6-2-98)

State law references: Conditions for granting exemption, K.S.A. 79-252.

Sec. 138-84. Amount of tax incentive.

The two primary objectives of the city in granting tax exemptions for economic development are to provide needed jobs, and to expand the economic and tax base of the city. The city recognizes that a simple system of determining the amount of tax exemption to be granted to reach these objectives may not always be equitable if applied uniformly to different kinds of businesses. As a result, in determining the actual amount of tax exemption granted, the city shall consider the factors and criteria set forth in section 138-83. In addition, the city shall consider the following guidelines:

(1) *Job quantity exemption.* A job quantity exemption shall be determined at the rate of one percent exemption for each new full time equivalent job created not to exceed 70 percent.

(2) *Job quality exemption.* A job quality exemption shall be determined by dividing the company's average wage rate for the newly created jobs by the Shawnee County base wage rate.* The resulting factor shall be multiplied by 30 percent to determine the job quality payment exemption. The job quality exemption shall not exceed 30 percent.

(Code 1981, § 42-39; Ord. No. 16349, § 9, 7-23-91; Ord. No. 16349, § 9, 7-23-91; Ord. No. 17270, § 9, 6-2-98)

*The Shawnee County base wage rate is computed annually using the most recent County Business Patterns published by the U.S. Bureau of Census. The base wage rate is determined by averaging the hourly wage rate for all the county industries with the combined hourly wage rate for all manufacturing and wholesale trade industries.

The city reserves the right to change the methodology of calculating the tax exemption. For those businesses which have applied for or received an exemption prior to May 1, 1991 the calculation shall be based upon the formula in Ordinance 15898.

Sec. 138-85. Nominal tax determination.

All tangible property of a business receiving a tax exemption under this article shall be annually assessed by the county appraiser in the same manner as if it were not exempt, but only the amount thereof not exempted by this article

shall be placed on the tax rolls. The amount of the property taxes which would be payable shall also be determined annually by the county clerk and treasurer, in the same manner as if the property were not exempt, but only such amounts not exempted by this article shall be placed on the tax rolls. Separate assessments and tax calculations shall be made for the land, for the improvements thereon, and for any tangible personal property associated therewith, of the exempt business. The appropriate county officers are requested to provide the city with this information as early as possible, but not later than November 15 of each year.

(Code 1981, § 42-40; Ord. No. 16349, § 10, 7-23-91; Ord. No. 17270, § 10, 6-2-98)

Sec. 138-86. Minimum payment.

(a) Any applicant making an application and receiving an exemption pursuant to this ordinance is required to pay taxes on the assessed valuation of the real estate, including either buildings together with land or land only, prior to the construction of new buildings or added improvements to buildings on such property or prior to the acquisition of the property by the business. This payment will insure that the city, county, school district and any other taxing jurisdictions affected will not receive less tax revenue from the property than was received prior to the exemption.

(b) Additionally, each business will pay taxes equal to 20 percent of the tax otherwise due with respect to the exemption. If application of the formula as set forth herein yields a lesser payment, then the minimum payment of 20 percent will apply. For extraordinary reasons, such as when vacant buildings are acquired for a new business, when the market value of the property has decreased, or when the size of the project is exceptionally large (i.e. 40 or more jobs created per million dollars of new capital investment), this requirement may be waived in part or in whole by the council of the City of Topeka.

(c) Notwithstanding the foregoing, the city council may reduce the amount of exemption under this section by the amount of one percent. The city's pro rata share of the one percent tax savings may be used for economic development in the City of Topeka pursuant to the provisions of Topeka City Code section 138-96.

(Code 1981, § 42-41; Ord. No. 16349, § 11, 7-23-91; Ord. No. 17270, § 11, 6-2-98; Ord. No. 18162, § 1, 1-13-04)

Sec. 138-87. Annual renewal.

(a) The extent and term of any tax exemption granted shall be subject to annual review by the city council to insure that the ownership and use of the property and any other qualifying criteria of the business for the tax exemption continue to exist. Information justifying the continued exemption will be submitted annually, together with a fee of \$100.00 to housing and neighborhood development (HND) for review and approval. HND will advise the council of all annual determinations. HND determinations may be reversed if the council places the matter on an agenda and so votes.

(b) Upon the failure of any business to fully and timely pay the taxes due as may be required or to provide reports or other information requested by the city and reasonably necessary for the implementation of this article, the city shall either revoke or not renew the authorization of such an exemption.

(Code 1981, § 42-42; Ord. No. 16349, § 12, 7-23-91; Ord. No. 17270, § 12, 6-2-98)

Sec. 138-88. Exemption ordinance.

The city clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an exemption from taxation to the applicant for use in filing an initial request for tax exemption as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years.

(Code 1981, § 42-43; Ord. No. 16349, § 13, 7-23-91; Ord. No. 17270, § 13, 6-2-98)

Sec. 138-89. Exemption forms.

A copy of the exemption applications required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property, shall be filed with the city clerk by the property owner.

(Code 1981, § 42-44; Ord. No. 16349, § 14, 7-23-91; Ord. No. 17270, § 14, 6-2-98)

Sec. 138-90. Waiver of requirements.

The council reserves the right to grant or not to grant tax exemption under circumstances beyond the scope of this article or to waive any procedural requirement not mandated by state law. However, no such action or waiver shall be taken or made except upon a finding by the council that a compelling

or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest.

(Code 1981, § 42-45; Ord. No. 16349, § 15, 7-23-91; Ord. No. 17270, § 15, 6-2-98)

Sec. 138-91. Transfer of ownership or use.

No tax exemption granted by the city shall be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application for a tax exemption. Further, the city shall be notified by the business of any substantive change in the use of a tax exempt property.

(Code 1981, § 42-46; Ord. No. 16349, § 16, 7-23-91; Ord. No. 17270, § 16, 6-2-98)

Sec. 138-92. Special assessments.

Any tax exemption granted for real property under this article shall not affect the liability of such property for any special assessments levied or to be levied against such property.

(Code 1981, § 42-47; Ord. No. 16349, § 17, 7-23-91; Ord. No. 17270, § 17, 6-2-98)

Sec. 138-93. No exemptions for prior commencement or expansion.

No tax exemption shall be granted to any business which commenced operations prior to August 5, 1986, nor for the expansion of a business unless such expansion created new employment after August 5, 1986.

(Code 1981, § 42-48; Ord. No. 16349, § 18, 7-23-91; Ord. No. 17270, § 18, 6-2-98)

Sec. 138-94. Jurisdiction.

The city shall grant tax exemptions only in regard to property located within the city. The city encourages the board of county commissioners to consult with the city as to applications outside the city and within the three-mile area of the city.

(Code 1981, § 42-49; Ord. No. 16349, § 19, 7-23-91; Ord. No. 17270, § 19, 6-2-98)

Sec. 138-95. Other policies.

The policy set forth herein with regard to property tax exemptions is considered separate and distinct from the city's policy regarding payments in lieu of taxes and reduced payments in lieu of taxes in relation to industrial revenue bonds. In the event a property would qualify under both policies, then the property shall be eligible for only one incentive program which shall be at the election of the applicant.

(Ord. No. 16349, § 20, 7-23-91; Ord. No. 17270, § 20, 6-2-98)

arts

Sec. 138-96. Transfer of general fund monies to the arts fund for economic development.

(a) Each year the chief administrative officer, or his or her designee, shall calculate the amount of the city's pro rata share of tax revenue it would have received from the tax exemptions reduced by the city council under the provisions of Topeka City Code section 138-84(c),

(b) The mayor shall, as part of his budget, include the amount of \$100,000.00 as an appropriation to the **arts** fund for economic development in the City of Topeka.

(c) The city council may, in its sole discretion, each year as part of the budget approval process authorize the transfer of general funds to the **arts** fund in the full amount identified as economic tax exemption savings in the mayor's proposed budget or such lesser amount as the council may authorize.

(Ord. NO. 18162, § 2, 1-13-04)