



November 23, 2024

Family Wellness Centers

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Reference Number: CTAS-1554

Real and personal property used as a nonprofit family wellness center is exempt from property taxes as a charitable use of property if the center is owned and operated as provided in T.C.A. § 67-5-225. "Family wellness center" means real and personal property used to provide physical exercise opportunities for children and adults. The property must be owned by a nonprofit corporation that is a charitable institution which (1) has as its historic sole purpose the provision of programs promoting physical, mental, and spiritual health, on a holistic basis without emphasizing one over another; (2) provides at least five of the following eight programs dedicated to the improvement of conditions in the community and support for families:

- (A) day care programs for preschool and school-aged children;
- (B) team sports opportunities for youth and teens;
- (C) leadership development for youth, teens, and adults;
- (D) services for at-risk youth and teens;
- (E) summer programs for at-risk and non-at-risk youth and teens;
- (F) outreach and exercise programs for seniors;
- (G) aquatic programs for all ages and skill levels; and
- (H) services for disabled children and adults; and

(3) provides all programs and services to those of all ages, incomes and abilities under a fee structure which reasonably accommodates persons of limited means and, therefore, ensures that ability to pay is not a consideration. The corporation must further meet the requirements of T.C.A. § 67-5-225(b).¹

In order to qualify for exemption, the nonprofit corporation must first be exempt from federal income taxation as an exempt charitable organization under the provisions of § 501(c)(3) of the Internal Revenue Code and any amendments thereto. In addition, the nonprofit corporation must provide that (1) the directors and officers will serve without compensation beyond reasonable compensation for services performed; (2) the corporation is dedicated to and operated exclusively for nonprofit purposes; (3) no part of the income or the assets of the corporation will be distributed to inure to the benefit of any individual; and (4) upon liquidation or dissolution, all assets remaining after payment of the corporation's debts will be conveyed or distributed only in accordance with the requirements applicable to a § 501(c)(3) corporation.² Furthermore, all claims for exemptions under T.C.A. § 67-5-225 are subject to the provisions of T.C.A. § 67-5-212(b).³

¹T.C.A. § 67-5-225(a). See Op. Tenn. Atty. Gen. 00-106 (June 9, 2000).

²T.C.A. § 67-5-225(b).

³T.C.A. § 67-5-225(c).

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