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CHURCH EXEMPTION

230.0020 **Church Uses.** Where the primary use of buildings, land and equipment is for religious worship, the exemption will be available if incidental uses are made of the property by the church on a noninterfering basis. Incidental, noninterfering uses must be supportive of primary religious worship use, usually involve only present or prospective members of the congregation, and include religious instructional sessions, choir practice sessions, church administration, church business meetings, and most activities of auxiliary organizations accountable to the local church authority. C 10/22/81.

October 22, 1981

Dear Mr. [Redacted]:

At the request of Mr. William L Grommet, the Board's Exemption Officer, we have considered the availability of the church, welfare, and college exemptions for property taxation to the several church properties, including the Church's Center for Biblical Studies which is the subject of this letter.

As we understand that you are familiar with the Board's Assessors' Handbook Ah 262, Church Exemption, we have not excerpted and quoted relevant portions of the handbook herein. Suffice it to say that the Board has recognized in AH 262 that where the primary use of buildings, land and equipment is for religious worship, the church exemption will still be available to a church if incidental and/or reasonably necessary uses are made of the buildings, land and equipment by the church on a non-interfering basis, and that incidental, non-interfering uses must be supportive of primary religious worship use, usually involve only present or prospective members of the congregation, and include religious instructional sessions, choir practice sessions, church administration, church business meetings, and most activities of auxiliary organizations accountable to the local church authority.

Thus, assuming that the primary use of the Church's buildings, land and equipment is for religious worship, the church exemption is probably available for that portion of its Center of Biblical Studies, a multipurpose building used for offices, conference/class rooms, and a library, used exclusively by the Church.

With respect to the use of the Center for Biblical Studies by other organizations, where the primary use of buildings, land and equipment is for religious worship, the Board has recognized further in AH 262 that the church exemption will be available if the buildings, land and equipment are used by nonprofit, charitable, local civic groups for random meetings or a not-to-interfere basis. It has not gone so far as to consider ongoing uses of church buildings, land and equipment by other organizations and/or uses of such property for college purposes by other organizations to be within the purview of the church exemption, however. Rather, the welfare exemption or the college exemption, as the case may be, is the applicable exemption in such instances.

Against this background then, we consider the uses of the Center for Biblical Studies by the several other religious organizations, Center for Biblical Studies, Inc., Fresno Pacific College, and Mennonite Brethren Biblical Seminary.

According to your August 17, 1981 letter to Mrs. Evelyn Stern of the Stanislaus County Assessor's Office, the Center for Biblical Studies, Inc. is a nonprofit corporation whose purpose is to raise funds which are used to send deserving students through a college and seminary educational experience in preparation for full-time Christian service. The Center maintains no office in the building but does receive mail and donated funds there.

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In receiving mail and funds at the building on an ongoing basis, the Center is using a portion of the building, etc., indirectly, if not directly. Thus, the welfare exemption is the applicable exemption, and both the Church and the Center must meet the requirements therefor for that portion of the building, etc., use by the Center to be exempt.

Also according to said August 17, 1981, letter, Fresno Pacific College and Mennonite Brethren Biblical Seminary merely provide accreditation and give college or seminary credits to appropriate students taking standard Bible and Bible-related courses taught by the Church's staff primarily for its members.

The further presence of Fresno Pacific College and Mennonite Brethren Biblical Seminary in this activity is evidenced, however, by the following:

1. Students taking the courses apparently know in advance thereof that Fresno Pacific College and Mennonite Brethren Biblical Seminary will provide such accreditation and credits.
2. The undergraduate program in the Center for Biblical Studies is an extended campus of the Fresno Pacific College (Sign on building and Church literature).
3. The graduate school program therein is an extension of the Mennonite Brethren Biblical Seminary (Sign on building and Church literature).
4. A fee of \$27 per unit is charges, one-third or \$9 of which is forwarded to Fresno Pacific College or Mennonite Brethren Biblical Seminary, as the case may be.

Accordingly, because of their involvement in this activity, Fresno Pacific College and Mennonite Brethren Biblical Seminary are using a portion of the building, etc., indirectly, if not directly. Thus, the college exemption is the applicable exemption, and both Fresno Pacific College and Mennonite Brethren Biblical Seminary, as well as the Church or the Center for Biblical Studies, Inc., as the case may be, must meet the requirements therefor for that portion of the building, etc., used by Fresno Pacific College and Mennonite Brethren Biblical Seminary to be exempt. The welfare exemption is not available because of the prohibition against construing it to enlarge the college exemption (Rev. & Tax. Code, § 214).

Very truly yours,

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Tax Counsel

JKM:fr

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