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## Church Parish center only partially exempt

A Roman Catholic parish office building has been granted only 50% real estate tax exemption in Pennsylvania. The state's Commonwealth Court has affirmed a trial court decision upholding the finding of the county Board of Assessment Appeals.

St. Joseph's Parish owns about 39 acres in Downingtown, Chester County, including a church, school, convent, rectory and administration building, all of which are tax exempt. In 2016, it built what it called the Holy Family Center, a 5442 square foot building containing the pastor's office, the business office, meeting rooms and an adoration chapel. The Parish sought a full exemption, but the Board exempted only about half.

Pennsylvania provides exemption for "actual places of stated religious worship, with the ground thereto annexed necessary for the occupancy and enjoyment of the same." The Parish argued that the chapel was open 24 hours a day, the conference room was used for bible study, and bereavement and prayer groups, and the pastor's office was used for spiritual counseling and confessions. But it admitted that other areas, such as the kitchen, or the offices of the youth director, community supervisor, business manager or Parish secretary, were not regularly used for worship activities. The Parish argued that these areas were used to support the worship activities of about 4000 people each weekend.

The trial court found that none of the office building was used for regularly stated religious worship, but, since the taxing authorities had not appealed the Board's decision, affirmed the Board's 50% exemption.

The Commonwealth Court cited several prior state court decisions exempting property where the "primary purpose" was for worship and other non-worship activities were "merely incidental." It rejected the Parish's argument that the Family Center would not exist without the Parish and the primary purpose of the Parish is religious worship. The Parish argued that all of the property that the Parish holds is necessary for religious worship and eligible for exemption.

"What this argument ignores," the Court wrote, "is that the property that is not used for religious worship but merely owned by a religious entity for its convenience in carryout out its affairs is not the same as being necessary for religious worship. Only discrete areas used for religious worship are entitled to the exemption, and even [the Pastor] admitted in his testimony before the trial court that there are significant areas of the Center that are not used or necessary for religious worship." (*Archbishop of Philadelphia v. Chester County Board of Assessment Appeals*, Commonwealth Ct., PA, No. 1856 C.D. 2017, 12/6/18.)