

STATE OF NORTH CAROLINA

COUNTY OF WAKE

IN THE MATTER OF:
APPEAL OF:

Christ Church Greensboro, Inc.

BEFORE THE PROPERTY TAX COMMISSION
SITTING AS THE STATE BOARD OF
EQUALIZATION AND REVIEW
16 PTC 0405

FINAL DECISION

from the decision of the Guilford
County Board of Equalization and
Review denying property tax
exemption for certain real property
for tax year 2015.

This appeal was heard before the North Carolina Property Tax Commission (“Commission”) sitting as the State Board of Equalization and Review in the City of Raleigh, Wake County, North Carolina on Wednesday February 8, 2017 pursuant to the appeal of Christ Church Greensboro, Inc. Vienna Baptist Church (“Appellant”). Appellant is appealing the decision of the 2015 Guilford County Board of Equalization and Review (“County Board”) not to grant Appellant’s application for property tax exemption for tax year 2015.

Vice Chairman Terry L. Wheeler presided over the hearing with Commission Members Alexander A. Guess, Jack C. Morgan III and David A. Smith participating.

Attorneys Michael S. Fox and Benjamin P. Hintze, appeared at the hearing on behalf of the Appellant. Matthew Turcola, Deputy Guilford County Attorney, appeared at the hearing on behalf of Guilford County.

STATEMENT OF THE CASE

Appellant, Christ Church Greensboro, Inc., (“CCG”) is a congregation of the Presbyterian Church in America, an established formed Christian denomination that acquired the Property subject to the appeal by deed recorded December 30, 2014, in Book R 7663, Page 888, Guilford County Register of Deeds. CCG did not file an application for exemption for the Property during the 2015 tax year because the CCG’s 2015-tax bill was mailed to the physical address of the Property, instead of the CCG’s office and mailing address. CCG did not receive the 2015 tax bill during 2015 calendar year, but instead received the 2015-tax bill in late 2016 after CCG’s treasurer requested the Guilford County Tax Office (“Tax Office”) to mail the 2015-tax bill to CCG’s office at 1450 Guilford College Road, Jamestown, NC 27282. CCG received a Notice of Decision from the County Board denying CCG’s application for property tax exemption for the Property for tax year 2015. CCG now appeals the County Board’s decision denying CCG’s application for property tax exemption based on the untimely filing of the application with the County for tax year 2015. The property subject

to this appeal concerns four contiguous parcels or real property in Greensboro, North Carolina that is wholly and exclusively used for religious purposes by the Appellant, except for a billboard that is located on one parcel, which billboard is taxable by Guilford County. The subject parcels are designated by Guilford County Tax Office as Parcel Numbers 0000801, 0000808, 0000808, and 0000809 (hereinafter the "Property"). In the Notice of Appeal and Application for Hearing, CCG contends that the subject property should be granted an exemption from property taxes pursuant to N.C. Gen. Stat. § 105-278.3 and that Commission has the authority to grant the CCG's 2015 application for property tax exemption for the Property. At the hearing, County, through counsel, stated that it would not take exception to the decision made by Commission concerning the granting of CCG's untimely 2015 application for property exemption for Property 2015.

ISSUES

In the Order on Final Pre-Hearing Conference, the parties did agree upon the issue to be presented to the Commission. The issue considered by the Commission is stated as follows:

Is the North Carolina Property Tax Commission authorized to order the exemption of property taxes for 2015 for the subject appeal, identified by Guilford County Parcel Numbers 0000801, 0000808, and 0000808, and 0000809 and owned by Appellant, Christ Church Greensboro, Inc.?

FROM THE NOTICE OF APPEAL AND APPLICATION FOR HEARING FILED IN THIS MATTER, STIPULATIONS OF THE PARTIES AND EVIDENCE PRESENTED AT THE HEARING, THE COMMISSION MAKES THE FOLLOWING FINDINGS OF FACT:

1. The Commission has jurisdiction over the parties and the subject matter of this appeal.
2. This appeal concerns four contiguous parcels of real property in Greensboro, North Carolina, which are used wholly and exclusively for religious purposes, with the exception of a billboard located on one parcel, which billboard is taxable. The properties at issue in this appeal are designated by Guilford County parcel numbers 0000801, 0000807, 0000808, 0000809 (hereinafter the "Property").
3. Christ Church Greensboro, Inc. ("CCG") is a congregation of the Presbyterian Church in America, an established reformed Christian denomination.
4. On September 25, 2014, CCG formed and incorporated with the North Carolina Secretary of State.

5. Prior to its corporation, CCG operated as a “daughter church” of Friendly Hills Church, using shared leadership and offices, which offices are located at 1450 Guilford College Road, Jamestown, NC 27282.

6. CCG acquired the Property by deed recorded December 30, 2014, in Book R 7663, Page 888, Guilford County Register of Deeds.

7. Prior to CCG’s acquisition of the Property, CCG held services at a rented location in downtown Greensboro.

8. CCG did not file an application for exemption for the Property during the 2015 tax year.

9. CCG’s 2015 tax bill was mailed to the physical address of the Property.

10. At the time that the 2015 tax bill was mailed to the Property, CCG’s offices and mailing address were not located at the Property, but at 1450 Guilford College Road, Jamestown, NC 27282.

11. The mailing address for CCG is listed in the 2014 deed conveying the Property to CCG, on the North Carolina Secretary of State’s website, and in CCG’s Articles of Incorporation, available on the North Carolina Secretary of State’s website.

12. The Property’s two previous owners received their mail at addresses other than the Property address.

13. When Guilford County mailed the 2015 tax bill to the Property, there was no mailbox or other receptacle for mail delivery at the Property. The whereabouts of the 2015 tax bill mailed to the physical address are unknown as there was no collection point for mail at the physical location at that time.

14. CCG did not receive the 2015 tax bill during the 2015 calendar year.

15. In late January 2016, CCG’s treasurer received a telephone call from a representative of the Guilford County Tax Department, who informed CCG’s treasurer that CCG owed property taxes on the Property for tax year 2015.

16. CCG’s treasurer requested that the 2015 tax bill be sent to CCG’s office at 1450 Guilford College Road, Jamestown, NC 27282.

17. CCG did not receive the 2015 tax bill until the County mailed copies of the 2015 tax bills to CCG's office at 1450 Guilford College Road, Jamestown, NC 27282 in late January 2016.

18. CCG filed an application for exemption for the 2016 tax year on January 28, 2016.

19. The County approved CCG's 2016 application for exemption, and the Property is tax exempt as of tax year 2016, with the exception of the billboard.

20. CCG would have filed an application for property tax exemption for tax year 2015 for the Property if they had received the 2015 tax bill sent by the County.

21. After discussing the matter with the Guilford County Tax Department, CCG file a late application for exemption for the 2015 tax year, and the County held a hearing regarding the 2015 application for exemption on August 25, 2016.

22. By Notice of Decision dated August 29, 2016, the County Board denied CCG's late-filed 2015 application for exemption based on the provisions of N.C. Gen. Stat. § 105-282.1 since the subject application not filed during the listing period.

23. As provided in the County Board's Notice of Decision, CCG filed a Notice of Appeal and Application for Hearing requesting the Commission to approve the late 2015 application for exemption for the Property as provided by N.C. Gen. Stat. § 105-282.1(a1) based on a showing of good cause for failure to make a timely application.

24. CCG was not aware that the County assessed property taxes for tax year 2015 for the Property until the copies of the 2015 tax bill were mailed to CCG's office at 1450 Guilford College Road, Jamestown, NC 27282 in late January 2016.

25. CCG did not have the opportunity to file a timely application requesting property tax exemption for the Property during the 2015 calendar year when CCG did not receive the 2015 tax bill until late January 2016 based on CCG's request that the 2015 tax bill be mailed to CCG's office at 1450 Guilford College Road, Jamestown, NC 27282.

BASED ON THE FOREGOING FINDINGS OF FACT, THE PROPERTY TAX COMMISSION CONCLUDES AS A MATTER OF LAW:

1. All property, real and personal, within the jurisdiction of the State shall be subject to taxation unless it is excluded from the tax base or exempted from taxation. See N.C. Gen. Stat. § 105-274.

2. N.C. Gen. Stat. § 105-278.3 governs tax exemption for real and personal property used for religious purposes. N.C. Gen. Stat. § 105-278.3 provides in pertinent part:

(a) Buildings. – Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

(1) Wholly and exclusively used by its owner for religious purposes as defined in subsection (d)(1), below; or

(2) Occupied gratuitously by one other than the owner and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

(c) The following agencies, when the other requirements of this section are met, may obtain exemption for their properties:

(1) A congregation, parish, mission, or similar local unit of a church or religious body; or

(2) A conference, association, presbytery, diocese, district, synod, or similar unit comprising local units of a church or religious body.

(d) Within the meaning of this section:

(1) A religious purpose is one that pertains to practicing, teaching, and setting forth a religion. Although worship is the most common religious purposes, the term encompasses other activities that demonstrate and further the beliefs and objectives of a given church or religious body.

3. The Property meets the criteria of N.C. Gen. Stat. § 105-278.3 when the property is wholly owned by an agency listed in subsection (c) above, and is used by its owner for a religious purpose within the meaning of N.C. Gen. Stat. § 105-278.3(d)(1).

4. Under *In re Appeal of Valley Proteins, Inc.*, 128 N.C. App. 151, 494 S.E.2d 111 (1997), the purpose for the exemption application requirement in N.C. Gen. Stat. § 105-282.1 is to inform the county of a taxpayer's intention to seek exemption for its property. A taxpayer that intends to seek property tax exemption for its property will file a timely application within the calendar year if a taxpayer is aware of the application requirement.

5. In this appeal, CCG was not aware of its requirement to file an exemption for property tax for the Property since the notice assessing property taxes for tax year 2015 was sent to the physical address of the Property, which had no mailbox or other receptacle for mail delivery at the Property's location. Further, the whereabouts of the 2015 tax bill mailed to the physical address are unknown as there was no collection point for mail at the physical location at that time.

6. If CCG had received the 2015 tax bill notice during the calendar year, it could have filed a timely exemption application as provided in N.C. Gen. Stat. § 105-282.1.

7. N.C. Gen. Stat. § 105-282.1(a1) restricts the County Board's ability to approve applications that are not filed during the current calendar year.

8. N.C. Gen. Stat. § 105-282.1(a1) allows the Commission authority to approve a late application for property tax exemption upon showing of good cause.

9. Upon a showing of good cause, the Commission, based on their discretion, may approve a late application for property tax exemption. *In Re Appeal of Eastern North Carolina Episcopal District, Inc.*, 08 PTC 090 (February 4, 2010).

10. CCG did provide competent, material, and substantial evidence showing that the Property qualifies for property tax exemption as provided in N.C. Gen. Stat. § 105-278.3, and based upon CCG's showing of good cause, the Commission grants the untimely 2015 property tax exemption application for the Property.

11. Based on a showing of good cause, the Property is exempt from property taxes for tax year 2015.

WHEREFORE, THE COMMISSION THEREFORE ORDERS the reversal of the County Board's decision denying the CCG's request for property tax exemption for the Property for tax year 2015. Guilford County shall revise its tax records as may be necessary to reflect the Findings of Fact and Conclusions of Law of the Commission, granting property tax exemption status for the Property for tax year 2015.

NORTH CAROLINA PROPERTY TAX COMMISSION



Terry L. Wheeler, Vice Chairman

Commission Members Morgan, Guess, and Smith concur. Chairman William W. Peaslee did not participate in the hearing or deliberation of this appeal.

Entered: 4/20/17

Attest:

Janet L. Shires, General Counsel