

BEFORE THE IDAHO BOARD OF TAX APPEALS

NEW LIFE COMMUNITY CHURCH OF THE)	
ASSEMBLIES OF GOD, INC.,)	
)	APPEAL NOS. 20-A-1010,
Appellant,)	20-A-1011, and 20-A-1020
)	
v.)	FINAL DECISION
)	AND ORDER
KOOTENAI COUNTY,)	
)	
Respondent.)	
)	

PROPERTY TAX EXEMPTION APPEAL

These appeals are taken from decisions of the Kootenai County Board of Equalization denying appeals of the valuation for taxing purposes on properties described by Parcel Nos. 51N04W202600, 51N04W203150, and 51N04W203000. The appeals concern the 2020 tax year.

These matters came on for telephonic hearing October 2, 2020, before Hearing Officer Travis VanLith. Pastor Geoffrey Winkler appeared at hearing for Appellant. County Assessor Bela Kovacs represented Respondent.

Board Members Leland Heinrich, David Kinghorn, and Kenneth Nuhn join in issuing this decision.

The issue on appeal concerns whether the subject properties qualify for an exemption from taxation pursuant to Idaho Code § 63-602B, as property belonging to a religious corporation.

The decisions of the Kootenai County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. 51N04W202600 (Appeal No. 20-A-1010)

The assessed land value of this vacant 10.258 acre parcel is \$192,650.

Parcel No. 51N04W203150 (Appeal No. 20-A-1011)

The assessed land value of this 4.969 acre parcel is \$181,752, and the improvements' value is \$118,550, totaling \$300,302.

Parcel No. 51N04W203000 (Appeal No. 20-A-1020)

The assessed land value of this 10.056 acre parcel is \$296,302, and the improvements' value is \$2,899,191, totaling \$3,195,493.

Appellant contends the above subject parcels are exempt from property taxation as property belonging to a religious corporation.

The subject properties are adjacent parcels located in Rathdrum, Idaho. The parcels are operated collectively by Appellant for religious and educational purposes. The parcels have qualified for exemption from property taxation for many years prior to 2020. However, the exemptions were removed for 2020 for failure to timely file the required applications.

Appellant acknowledged the exemption application materials were not filed by the April 15, 2020 deadline; however, contended there were extenuating circumstances which should be considered. On March 19, 2020, the county commissioner's office left a telephone message with Appellant's former Administrative Pastor to remind Appellant of the approaching filing deadline. The Administrative Pastor, however, was serving on a mission in India, so there was some delay in passing the message to the appropriate active staff member.

A few days later, on March 23, 2020, a member of Appellant's staff was exposed to the COVID-19 virus. Health guidance at that time recommended all staff self-quarantine at home. That same day, Governor Little issued a proclamation extending the filing deadline for income taxes, as well as two (2) property tax reduction benefit programs, from April 15, 2020 to June 15, 2020. Next, on March 25, 2020, the Idaho Department of Health and Welfare issued a statewide "Order to Self-Isolate for the State of Idaho," requiring residents to stay and work from home as much as possible, except for those providing essential services, as defined in

the order. Appellant immediately closed all church facilities for the ensuing couple weeks. Eventually, Appellant did file the required paperwork for the exemptions, however, as such filing occurred on April 27, 2020, the applications were not accepted by the county due to being untimely.

Appellant noted exemption applications have been timely filed for more than twenty (20) years; however, due to the pandemic and the uncertainties inherently associated therewith, the applications for 2020 were late. Due to the unprecedented circumstances caused by the COVID-19 pandemic, Appellant pleaded for a waiver of the filing deadline.

Respondent was sympathetic to Appellant's situation, however, maintained the exemptions should be denied because they were not timely filed as required by statute. Respondent provided a timeline of events from the county's perspective to demonstrate efforts were made to remind Appellant of the looming deadline. First, on January 10, 2020, a notice was sent to all property owners who received exemptions the prior year, which included Appellant. Next, on March 17, 2020, the commissioner's office called the phone number on file¹ and left a message regarding the upcoming deadline. On April 1, 2020, a final reminder notice was sent by the commissioners' office to all owners who had not yet returned exemption applications. This final notice was returned to the county by the U.S. Postal Service on April 21, 2020, with the notation "unclaimed, unable to forward." A *Proposed Notice of Revocation of Tax Exempt Status* was issued by the county commissioners on April 20, 2020, via certified mail.

¹Appellant reported providing updated contact information when filing the 2019 exemption materials, though apparently the information was not changed in the county's records. As explained by Appellant, the message was left on the phone of a former Administrative Pastor who was on a mission in India at the time.

Respondent acknowledged difficulties surrounding the pandemic and associated restrictions, however, explained county services continued uninterrupted throughout the weeks leading up to, and following, the filing deadline. Respondent reported a total of sixty-seven (67) applications received via U.S. Mail, email, or hand-delivery after the governor's stay-at-home order was issued. Respondent further noted only eight (8) exemption applications out of nearly 400 total applications county-wide were not timely filed. Due to Appellant's untimely filing, Respondent concluded the exemptions must be denied.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest, or, as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

The issue here concerns whether the subject properties qualify for exemption from taxation as property belonging to a religious corporation. For the reasons below, we find the subject properties are not entitled to the claimed property tax exemptions for the 2020 assessment year.

Before addressing the substance of the issue at bar, there was some suggestion by Appellant that Respondent contributed to the untimely filing of the exemption materials. Specifically, Appellant pointed to the telephone message left at the number of a former pastor, as well as the fact the final reminder notice sent by the commissioner's office was returned by the U.S. Postal Service. While Appellant's position is understood, it is somewhat misguided, because the county is under no obligation to remind taxpayers about exemption filing

deadlines. That the Kootenai County Commissioners proactively reach out to owners with potential exemption claims does not absolve a taxpayer of the responsibility for satisfying the requirements of the claimed property tax exemption in those instances where the commissioners' "reach-out" efforts fail or are otherwise missed. So, while two (2) of the commissioners' attempts to remind Appellant of the filing deadline were either delayed or not received, Appellant bears the ultimate responsibility for timely filing the required materials for the sought exemptions.

Turning now to the exemption itself, we start with Idaho Code § 63-602B, which reads in relevant part,

(1) The following property is exempt from taxation: property belonging to any religious limited liability company, corporation or society of this state, used exclusively for and in connection with any combination of religious, educational, or recreational purposes or activities of such religious limited liability company, corporation or society

There is no dispute Appellant is a religious corporation and the subject properties were used exclusively in furtherance of Appellant's religious and educational purposes. The problem is with Appellant's application for the exemptions. Idaho Code § 63-602 provides in pertinent part,

(3) All exemptions from property taxation claimed shall be approved *annually* by the board of county commissioners or unless otherwise provided:

(a) [certain identified exemptions] do not require application or approval by the board of county commissioners. For all other exemptions in title 63, Idaho Code, the process of applying is as specified in the exemption statutes or, if no process is specified and application is necessary to identify the property eligible for the exemption, annual application is required . . .

(b) For exemptions that require an application . . . *the application must be*

made to the county commissioners by April 15 and the taxpayer and county assessor must be notified of any decision by May 15, unless otherwise provided by law. The decision of the county commissioners and any subsequent assessment notices sent to the taxpayer may be appealed to the county board of equalization

(Emphasis added).

Appellant conceded the required exemption materials were not filed prior the deadline, however, pleaded for an exception in this instance due to the extenuating circumstances caused by the global pandemic. Unfortunately, the Board is unable to grant Appellant's request.

The Idaho Supreme Court has consistently held that tax exemption statutes be narrowly and strictly construed against the taxpayer, and the court is not free to deviate from the statutory provisions provided therein. "This Court has consistently adhered to the primary canon of statutory construction that where the language of the statute is unambiguous, the clear expressed intent of the legislature must be given effect and there is no occasion for construction. Moreover, unless a contrary purpose is clearly indicated, ordinary words will be given their ordinary meaning when construing a statute." *Corp. of the Presiding Bishop of Church of Jesus Christ of Latter-Day Saints v. Ada Cnty.*, 123 Idaho 410, 415, 849 P.2d 83, 86 (1993).

Though the Board is sympathetic to Appellant's situation and the financial hardship losing the exemptions would cause, the Board is bound by the provisions of Idaho Code § 63-602, which in this case unambiguously required Appellant to file the necessary exemption paperwork by April 15, 2020. As the statute does not contain any waiver of the filing deadline, the Board is left with no alternative but to deny the exemptions. Though subjects' property tax

exemptions are lost for 2020, Appellant may wish to pursue a hardship claim with the county commissioners.

As the subject properties do not qualify for exemption for 2020, they are subject to assessment and taxation. Idaho Code § 63-601.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2020, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. The sales comparison approach, the cost approach, and the income approach comprise the three (3) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Idaho Code § 63-511 places the burden on Appellant to demonstrate subjects' valuations are erroneous by a preponderance of the evidence. As Appellant did not contest subjects' respective assessed values, the burden of proof was not satisfied. Accordingly, the decisions of the Kootenai County Board of Equalization are affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Kootenai County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

New Life Community Church of the Assemblies of God
Appeal Nos. 20-A-1010, 20-A-1011, and 20-A-1020

DATED this 10th day of December, 2020.