

BEFORE THE IDAHO BOARD OF TAX APPEALS

RIVER HOUSE MINISTRIES, INC.,)	
)	
Appellant,)	APPEAL NO. 25-A-1116
)	
v.)	FINAL DECISION AND ORDER
)	
ADA COUNTY,)	
)	
Respondent.)	
)	
_____)	

RELIGIOUS EXEMPTION APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying a property tax exemption on property described by Parcel No. R4671540190. The appeal concerns the 2025 tax year.

This matter came on for hearing December 16, 2025, in Boise, Idaho, before Hearing Officer Travis VanLith. Elder Riley Verner appeared at hearing for Appellant. Ada County Deputy Civil Prosecutor Robert Berry represented Respondent.

Board Members Kenneth Nuhn and Doug Wallis join in issuing this decision.

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

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$5,207,600, and the improvements' value is \$1,112,000, totaling \$6,319,600. Appellant contends the property is exempt from property taxation pursuant to Idaho Code § 63-602B, as property belonging to a religious organization.

The subject property is a 4.78 acre parcel located in northeast Boise, Idaho. The property, commonly referred to as the Boise Armory, was first developed in the 1930s to

house the Idaho National Guard. The National Guard operated the facility for several decades, after which the property changed ownerships multiple times. The property had been sitting idle in recent years until Appellant acquired it in 2024 with the intent to convert the property into a church.

In October 2024, Appellant and two (2) other entities purchased the subject property. At the time of purchase, Appellant's ownership interest in the property stood at 57.669%, with TV Holdings, LLC holding a 35.651% interest and Zion Ventures, LLC holding the remaining 6.680% interest. On February 19, 2025, a quit claim deed was recorded conveying TV Holdings' 35.651% ownership interest in the subject property to two (2) individuals, Mr. Bottles and Mr. Verner, as tenants in common, each with an equal 17.8255% undivided interest.

On February 28, 2025, another quit claim deed was recorded conveying Mr. Bottles' 17.8255% interest to Appellant. This brought Appellant's total ownership interest in the subject property to 75.4945%, with Zion Ventures and Mr. Verner holding 6.68% and 17.8255% interests, respectively. On the same date, a tenants in common agreement was executed between Appellant, Zion Ventures, and Mr. Verner, defining the terms of their relationship with respect to the subject property.

In July 2024, while subject was under contract for purchase, Appellant initiated the permitting process with the City of Boise to develop the property after the sale closed. As part of the early review process, Appellant was required to hold a public meeting with stakeholders in the neighborhood, which was done in February 2025. In April 2025, a conditional use permit was issued by the city allowing the subject property to be used as a church. The decision to grant the conditional use permit was appealed by a member of the

community, but after a hearing before the city council in August 2025, the permit was approved. On August 19, 2025, Appellant initiated the design review process by submitting development plans to the city. On December 15, 2025, the planning and zoning department approved the design plans, thereby allowing the project to move to the building permit phase through the city's building department.

Appellant filed an exemption application with the Ada County Board of County Commissioners in April 2025, claiming the subject property qualified for the religious exemption pursuant to Idaho Code § 63-602B, which was denied. The Ada County Board of Equalization (BOE) upheld the decision to deny the exemption for the subject property in July 2025. Though the BOE's rationale for denying the exemption was not included in its decision letter, Respondent argued at hearing the subject property was not wholly owned by a religious organization, nor was the property used exclusively for religious purposes, both of which are necessary to qualify for the exemption.

Regarding subject's ownership, Respondent stressed that as of January 1, 2025, the relevant date of valuation in this matter, Appellant held an undivided 57.669% tenant in common interest in the subject property, with TV Holdings, LLC holding a 35.651% interest and Zion Ventures, LLC holding the remaining 6.680% interest. Respondent argued that, because Appellant did not wholly own the subject property, and neither TV Holdings nor Zion Ventures are religious organizations, the ownership requirement of the religious exemption statute has not been satisfied.

Appellant disagreed the ownership requirement was not met. Appellant contended the statute does not require exclusive ownership by a religious organization. Noting the statute simply says "property belonging to" a religious entity, Appellant argued its ownership interest

in the subject property, which is severable and comes with its own benefits and burdens, constitutes “property belonging to a religious organization” under the statute.

On the issue of subject’s use, Appellant contended the property has been used exclusively for religious purposes since Appellant’s acquisition in October 2024. It was explained that efforts to develop the site into a church actually began in July 2024 when Appellant first engaged with the City of Boise to begin the process to obtain a conditional use permit. On April 3, 2025, a conditional use permit was approved to allow religious use of the subject property. The city’s design review team approved Appellant’s proposed design in August 2025. The final review from planning and zoning was completed in December 2025, thereby moving the project from the planning phase to the building permit process. Appellant viewed the process of converting the old armory building into an active church property as a religious use, and because the property has not been used for any other purpose, Appellant reasoned the exclusive religious use requirement of the statute was satisfied.

Respondent reached a different conclusion with respect to whether the use requirement had been met. Pointing out the subject property was going through the development process, Respondent noted no worship services or other religious activity has taken place on the property since Appellant’s acquisition. As such, Respondent argued the subject property was not used exclusively for religious purposes as required by the statute; therefore, the property does not qualify for the religious exemption provided in Idaho Code § 63-602B.

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 on appeal is whether the subject property qualifies for an exemption from property taxation as property belonging to a religious organization pursuant to Idaho Code § 63-602B. For the following reasons, the Board finds the subject property does not qualify for the exemption.

With respect to tax exemptions, the Idaho Supreme Court has consistently held, “[A]ll tax exemption statutes be strictly and narrowly construed against the taxpayer, who must show a clear entitlement, and in favor of the state. Courts may not presume exemptions, nor may they extend an exemption by judicial construction where not specifically authorized.” *In re Appeal of Corp. of Presiding Bishop*, 123 Idaho 410, 415 - 416, 849 P.2d 83 (1993). See also, *Bistline v. Bassett*, 47 Idaho 66, 272 P. 696 (1928); *Bogus Basin Recreational Assoc., Inc. v. Boise County Bd. of Equalization*, 118 Idaho 686, 799 P.2d 974 (1990); *Canyon County Assessor v. Sunny Ridge Manor, Inc.*, 106 Idaho 98, 675 P.2d 813 (1984).

“Tax exemptions exist as a matter of legislative grace, epitomizing the antithesis of traditional democratic notions of fairness, equality, and uniformity. Therefore, they are to be construed according to the ‘strict but reasonable’ rule of statutory construction. When an ambiguity arises in construing tax exemption statutes, the court must choose the narrowest possible reasonable construction.” *In re Appeal of Corp. of Presiding Bishop* at 416, 86 (citations omitted).

Turning now to the religious exemption at issue here, Idaho Code § 63-602B reads in relevant part,

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

The statute identifies two (2) elements necessary to qualify for the religious exemption:

(1) that the property at issue belongs to a religious organization, and (2) that the property be used exclusively for the religious, educational, or recreational purposes of the religious organization.

Both elements of the statute must be met in order to receive the benefit of the religious exemption, so failing to satisfy either is disqualifying. Though there was some question whether the ownership element was satisfied in this case, it was clear the use requirement was not. Appellant and two (2) other buyers acquired the subject property in October 2024. At the time of purchase, the subject property had been sitting vacant for a number of years so was in need of significant rehabilitation work before it could be put to any meaningful use. Appellant acknowledged no worship services have occurred on the property since acquisition but contended the work of converting the property into a church, which actually began a few months prior to acquiring the property, was effectively a religious use. While the Board understands Appellant's view, the process of developing a property, even for eventual use as a house of worship, is not the type of religious, educational, or recreational use contemplated by the statute.

The Idaho Supreme Court addressed a similar issue involving a property being developed for charitable purposes by a recognized charitable foundation. The Court explained, "[t]he statute's plain language is clear and states property must be *used exclusively* for the purposes for which such limited liability company, corporation or society is organized. The statute provides no caveat or exceptions for charitable entities under

construction. Such a determination is within the purview of the legislature.” *Ada Cnty. Bd. of Equalization v. J.R. Simplot Found., Inc.*, 163 Idaho 75, 81, 408 P.3d 73, 79 (2017) (citations omitted) (emphasis in original).

The Court continued,

Here, [the subject property] was not being used exclusively for the Foundation’s charitable purposes while it was being constructed, rather, it was an active construction site. We decline to hold that construction of a charitable building, on its own, is sufficient to satisfy the requirement that “claimed exempt property is used exclusively for charitable purposes” under the exemption statute and under this Court’s precedent. Thus, the mere fact that Foundation was constructing [the facility], a building that would perform charitable work once complete, is not sufficient to entitle [the facility] to a tax exemption under section 63-602C.

Id. (citations omitted).

Though the above issue was presented to the Court in the context of a charitable exemption, the same rationale is applicable to the case at bar. The plain language of Idaho Code § 63-602B requires that the subject property be “. . . used exclusively for and in connection with any combination of religious, educational, or recreational purposes or activities of such religious [organization]” The charitable exemption statute includes a similar exclusive use element, and as the *Simplot Foundation* Court found, construction of a building, even for future exempt use, does not entitle the property to a tax exemption.

One distinguishing fact in the instant case from that in *Simplot Foundation* is the subject property here was not under construction as of January 1, 2025. Rather, Appellant was still in the early stages of securing a conditional use permit to allow Appellant’s future development of the property into a church. If active construction of a facility is not a qualifying use, then the planning and permitting process leading up to the active construction phase would certainly not satisfy the use requirement.

“The courts are bound by the statute and cannot create or extend by judicial construction an exemption not specifically authorized.” *In re Evangelical Lutheran Good Samaritan Soc’y*, 119 Idaho, 126, 129, 804 P.2d, 299, 302 (1990). And, “where an exemption is claimed, the property to be exempt must be clearly defined and founded upon plain language, without ambiguity, and must come within in the plain wording of the statute.” *Malad Second Ward of the Church of Jesus Christ Latter-Day Saints v. State Tax Comm’n*, 75 Idaho 162, 165, 269 P.2d 1077, 1079 (1954). As of January 1, 2025, the subject property was not being used exclusively for Appellant’s “religious, educational, or recreational purposes;” therefore, the property does not qualify for the religious exemption under Idaho Code § 63-602B.

The decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 10th day of March, 2026.