

BEFORE THE IDAHO BOARD OF TAX APPEALS

TEMPLE OF ALL-AVATAR,	)	
	)	
Appellant,	)	APPEAL NOS. 23-A-1235,
	)	23-A-1236, 23-A-1237, and
v.	)	23-A-1238
	)	
BENEWAH COUNTY,	)	FINAL DECISION AND ORDER
	)	
Respondent.	)	
	)	
	)	
_____	)	

RELIGIOUS EXEMPTION APPEALS

These appeals are taken from decisions of the Benewah County Board of Equalization granting a partial exemption on Parcel No. RP002700100280 and denying exemptions for Parcel Nos. RP002700100310, RP002700100305, and RP002700100290. The appeals concern the 2023 tax year.

These matters came on for hearing November 1, 2023, in St. Maries, Idaho, before Board Member Kenneth Nuhn. Trustee Katja Gwynn appeared at hearing for Appellant. Benewah County Deputy Prosecuting Attorney Aaron Freudenthal represented Respondent.

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

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

The decisions of the Benewah County Board of Equalization are affirmed and reversed.

FINDINGS OF FACT

Parcel No. RP002700100310 (Appeal 23-A-1235)

The assessed land value is \$45,000. Appellant contends the property is exempt from property taxation pursuant to Idaho Code § 63-602B as property belonging to a

religious organization. For purposes of this decision, this subject property will be referred to as Lot 31.

Parcel No. RP002700100305 (Appeal 23-A-1236)

The assessed land value is \$45,000. Appellant contends the property is exempt from property taxation pursuant to Idaho Code § 63-602B as property belonging to a religious organization. This subject property will be referred to as Lot 30.

Parcel No. RP002700100290 (Appeal 23-A-1237)

The assessed land value is \$90,000. Appellant contends the property is exempt from property taxation pursuant to Idaho Code § 63-602B as property belonging to a religious organization. This subject property will be referred to as Lot 29.

Parcel No. RP002700100280 (Appeal 23-A-1238)

The assessed land value is \$85,500, and the improvements' value is \$0, totaling \$85,500. Appellant contends the property is exempt from property taxation pursuant to Idaho Code § 63-602B as property belonging to a religious organization. This subject property will be referred to as Lot 28.

The subject properties are four (4) contiguous, mostly timbered rural parcels located several miles south of St. Maries, Idaho. Lots 28 and 29 are each twenty (20) acres in size, and Lots 30 and 31 are each ten (10) acres. Lot 28 is improved with a rectory and a chapel, and Lot 29 is improved with a retreat cabin. Lots 30 and 31 are unimproved tracts.

Appellant was established in 2000 as a religious society for religious, charitable, educational, literary, and scientific purposes. The Internal Revenue Service recognized Appellant as a section 501(c)(3) organization exempt from federal income tax in 2001. In 2002, Appellant registered as an Idaho Unincorporated Nonprofit Association with the Idaho Secretary of State. The subject properties were gifted to Appellant in 2020, and since

that time Appellant explained the parcels have been used exclusively for religious, educational, and recreational purposes.

On May 15, 2023, Appellant filed an application for the religious exemption on Lot 28. On May 22, 2023, the Benewah Board of County Commissioners (BOCC) denied the exemption application, which was communicated to Appellant in a May 25, 2023, letter from the county assessor. The letter explained the exemption was denied because there was not enough information concerning the use of Lot 28.

On June 15, 2023, Appellant filed exemption applications for Lots 29, 30, and 31. Next, on June 25, 2023, Appellant filed two (2) appeals to the Benewah County Board of Equalization (BOE): 1) appealing the BOCC's denial of the exemption for Lot 28, and 2) claiming religious exemptions for Lots 29, 30, and 31. The BOE denied the exemption for Lots 29, 30, and 31 but granted a partial exemption for Lot 28. Specifically, the rectory and chapel buildings were exempted, as well as two (2) acres supporting those improvements. The remaining acreage was denied the exemption. Appellant then timely appealed to this Board.

Appellant argued the BOE erred in its decision to grant only a partial exemption on Lot 28 because all four (4) parcels are used wholly and exclusively for religious, educational, and recreational purposes. Appellant explained the rectory on Lot 28 houses a priest and a full-time groundskeeper. In addition to private counseling, the priest "conducts appointed Sabbath study and worship, conducts private ceremonies and rituals, such as weddings, baptisms and other sacred rites, celebrating numerous High Holy Days throughout the year." The groundskeeper is primarily responsible for maintenance and repair of the structures and equipment. Appellant noted its congregation extends over many counties and countries. Members visit the ministry and use the chapel, the retreat

cabin, the campsites scattered around the properties, and participate in church activities. Appellant described the subject parcels as covered in old logging and wildlife trails, as well as special old-growth areas for family church activities, religious study, meditation, and prayer. Appellant maintained the use of the subject properties is undoubtedly consistent with the requirements of the religious exemption and petitioned this Board grant full religious exemptions to all four (4) subject properties.

Respondent acknowledged Appellant is a religious organization as contemplated by Idaho Code § 63-602B, however questioned whether the properties were used exclusively for the religious, educational, or recreational purposes for which Appellant was formed. Respondent conceded certain additional portions of the subject parcels may satisfy the use requirement, such as the trails and old-growth tree areas but maintained most of acreage is not used for any purpose and is therefore not used exclusively for qualifying purposes. Without a more accurate estimate of the acreage actually consumed by the trails otherwise used by the congregation, Respondent argued the exemption should 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 in these appeals is whether the subject properties qualify for the religious exemption provided in Idaho Code § 63-602B. The statute identifies two (2) qualifying criteria: 1) that the property is owned by a religious organization, and 2) that the property is used exclusively for and in connection with any combination of religious, educational or

recreational purposes or activities of such religious organization. The parties agree Appellant is a religious organization but disagree on whether the properties are used exclusively for qualifying purposes.

Though the parties framed the issue around the use of the subject properties, the issue instead centers on Appellant's application for the religious exemption. In addition to requiring all exemptions be approved by the board of county commissioners, Idaho Code § 63-602(a) provides that all exemptions require annual application, except for certain specified exemptions, none of which apply to the case at bar. In other words, Appellant is required to file applications for the subject properties.

Idaho Code § 63-602(b) continues in relevant part, "[f]or exemptions which require an application . . . the application must be made to the county commissioners by April 15 . . . The decision of the county commissioners . . . may be appealed to the county board of equalization" (emphasis added). Here, Appellant filed an application for the religious exemption for Lot 28 on May 15, 2023, which is thirty (30) days beyond the statutory deadline. Applications for the remaining subject parcels were filed a month later, on June 15, 2023.

The Idaho Supreme Court has consistently held, "[a] claim of exemption from tax must be justified, if at all, by the terms of the statute." *Roeder Holdings v. Bd. of Equalization*, 136 Idaho 809, 813, 41 P.3d 237, 241 (2001). Furthermore, "[e]xemptions are never presumed. The burden is on a claimant to establish clearly a right to exemption . . . It must be in terms so specific and certain as to leave no room for doubt." *Bistline v. Bassett*, 47 Idaho 66, 71, 272 P. 696, 698 (1928).

Idaho Code § 63-602 clearly identifies the religious exemption as requiring annual application and that such application must be filed with the county commissioners by April

15. In this case, an application was filed for one (1) subject parcel a month after the filing deadline, and additional applications were filed for the remaining subject parcels two (2) months after the deadline. The applications were all untimely. And as the statutory deadline contains no waiver of the filing date, the Board must conclude the subject properties do not qualify for the religious exemption for 2023.

The decisions of the Benewah County Board of Equalization are affirmed with respect to Lots 29, 30, and 31, and reversed with respect to Lot 28.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Benewah County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED and REVERSED, setting the assessed values as follows:

AFFIRMED

Parcel No. RP002700100310 (Appeal No. 23-A-1235)

Land: \$90,000

Parcel No. RP002700100305 (Appeal No. 23-A-1236)

Land: \$45,000

Parcel No. RP00270010290 (Appeal No. 23-A-1237)

Land: \$45,000

REVERSED

Parcel No. RP002700100280 (Appeal No. 23-A-1238)

Land: \$128,000

Improvements: \$259,755

Total \$387,755

DATED this 4th day of March, 2024.