SUPREME COURT OF PENNSYLVANIA

Wesley United Methodist Church v. Dauphin County Board of Assessment Appeals

585 Pa. 677 (2005) (Pa. 2005) · Decided December 30, 2005

SUMMARY

The Pennsylvania Supreme Court held that church-owned parking-lot parcels may qualify for exemption from real estate taxation when the church proves the parking facilities are reasonably necessary for the church's existence and use. The Court distinguished and effectively limited its prior decision in Second Church of Christ Scientist of Philadelphia v. City of Philadelphia, while emphasizing that not all church parking lots are automatically exempt. Chief Justice Cappy dissented, concluding that the prior precedent and constitutional limitation on exemptions remained controlling.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Eakin; Chief Justice Cappy; Justice Castille; Justice Nigro; Justice Newman; Justice Saylor; Justice Baer
JURISDICTION	Pennsylvania
DECIDED	December 30, 2005
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Dauphin County Board of Assessment Appeals appealed the Commonwealth Court's affirmance of a trial court order granting Wesley United Methodist Church a real estate tax exemption for two parcels used as a church parking lot. The Supreme Court of Pennsylvania granted allowance of appeal.
STANDARD OF REVIEW	The court reviewed the legal availability of a property-tax exemption under the Pennsylvania Constitution and the General County Assessment Law, based on facts established at the de novo trial-court hearing.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Dauphin County Board of Assessment Appeals v. Wesley United Methodist Church

TOPICS

property tax | tax exempt organizations | state and local tax | statutory interpretation | constitutional law

PRACTICE AREAS

property taxation | constitutional law | statutory interpretation | real estate tax exemptions

QUESTIONS PRESENTED

1. Whether two parcels used as a church parking lot qualified for a real estate tax exemption as ground annexed to an actual place of regularly stated religious worship and necessary for its occupancy and enjoyment.
2. Whether the court should follow the prior decision holding that church parking lots are not constitutionally and statutorily exempt from taxation.

HOLDINGS

1. A church parking lot is entitled to a real estate tax exemption when the church proves that the parking lot is reasonably necessary to the existence of the church itself and therefore necessary for the occupancy and enjoyment of the church.
2. Church parking lots are not automatically entitled to tax-exempt status; exemption depends on proof that the particular parking lots are reasonably necessary to the existence of the church itself.

KEY QUOTATIONS

> *"However, if a church proves its parking lots are a reasonable necessity to the existence of the church itself, those lots are entitled to such status."* (1182)

FACTUAL BACKGROUND

Wesley United Methodist Church owned two immediately adjacent parcels used as a parking lot. Most of the Church's members no longer lived within walking distance, nearby off-street parking was limited, and most on-street spaces were occupied by neighborhood residents. After the parking parcels became available, Church membership increased substantially, and testimony established that the Church could not feasibly sustain its ministry without the parking lot.

PROCEDURAL HISTORY

The Church applied to the Board for a real estate tax exemption for two adjacent parking-lot parcels, but the Board denied the application. Following a de novo hearing, the Court of Common Pleas of Dauphin County held the parcels tax-exempt. The Commonwealth Court affirmed in a published opinion, and the Supreme Court granted allowance of appeal.

DISPOSITION

affirmed

CASES CITED

- Wesley United Methodist Church v. Dauphin County Bd. of Assessment Appeals, 844 A.2d 57 (Pa. Cmwlth. 2004)
- Second Church of Christ Scientist of Philadelphia v. City of Philadelphia, 398 Pa. 65, 157 A.2d 54 (1959)
- Ieropoli v. AC&S Corp., 577 Pa. 138, 842 A.2d 919 (2004)
- Petition of Stieska, 390 Pa. 249, 135 A.2d 62 (1957)
- First Baptist Church of Pittsburgh v. City of Pittsburgh, 341 Pa. 568, 20 A.2d 209 (1941)
- Chevra Achewa Anshe Cheval v. City of Philadelphia, 116 Pa. Super. 101, 176 A. 779 (1935)

INSTRUCTIONS FOR AN AI ASSISTANT
