

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>UNITED METHODIST CHURCH OF EVERGREEN,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>PROPERTY TAX ADMINISTRATOR.</b></p>	<p><b>Docket No.: 60477</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on July 20, 2012, James R. Meurer and Lyle D. Hansen presiding. Petitioner was represented by William F. Graf, Esq. Respondent was represented by Robert H. Dodd, Esq. Petitioner is requesting the reinstatement of the exempt status of the subject property for tax year 2011.

Subject property is described as follows:

**3817 South Ponderosa Drive, Evergreen, Colorado 80439  
Jefferson County Parcel No. 5104107003**

The subject property consists of a single-family residence and a garage situated on a one acre, more or less, parcel situated next to the United Methodist Church of Evergreen (UMCE). The residence has been utilized by the church in the past as the minister's parsonage.

Petitioner is requesting exempt status for the subject property for tax year 2011 be reinstated.

Respondent is requesting that the non-exempt status of the subject be upheld.

The issue in this petition involves the exempt status of a property under the following Colorado statute that states in part:

Property –religious purposes—exemption—legislative declaration:

(1) Property, real and personal, which is owned and used solely and exclusively for religious purposes and not for private gain or corporate profit shall be exempt from levy and collection of property tax. Section 39-3-106 (1), C.R.S.

Petitioner’s witness, Mr. Penn Gildersleeve, Chair of the UMCE Board of Trustees, testified that the subject was purchased by the church for future expansion and had begun a funding campaign for that project. UMCE obtained concept approval from Jefferson County, built an underground water detention facility and demolished an older building for development of additional parking. Mr. Gildersleeve testified that the project stalled because of a lack of funding and when one minister was reassigned, the parsonage became vacant since the senior minister received a housing allowance for his residence in Denver. He testified that UMCE did not wish the parsonage to remain vacant, so the church rented the property to a lessee who was not affiliated with UMCE. The rental payments from this lease were assigned to the building fund of the church. Mr. Gildersleeve testified that the parking area was used for parking overflow, the garage was used for church storage and portions of the lot were utilized for church events involving non-profit organizations.

Petitioner’s witness, Reverend Todd Everhart testified by quoting UMCE’s mission statement.

Petitioner’s witness, Mr. Matthew Sailor, UMCE’s Finance Committee Chair, testified to the twenty percent reduction of the Church’s financial condition for both 2010 and 2011, giving reason to leasing the parsonage to receive additional revenue for the Church’s mission.

Petitioner’s witness, Ms. Janette Bramer, the Church accountant, testified that the gross rental income for 2011 was \$17,200.00.

Respondent is requesting that the non-exempt status of the subject be upheld.

Respondent’s witness, Mr. Stan Gueldenzopf, Exemption Manager for the Property Tax Administrator (PTA), testified that Petitioner, following its initial protest, was granted an exemption of one-third on the land portion of the subject by the PTA for parking use by UMCE.

Mr. Gueldenzopf cited Section 39-3-106.5, C.R.S. that states in part:

If any property, real or personal, which is otherwise exempt from the levy and collection of property tax pursuant to the provisions of 39-3-106, . . . such property shall be exempt from the levy and collection of property tax if: . . .

(1.5)(b) The use of the property for such purposes results in: . . .

(II) Less than ten thousand dollars of gross rental income to the owner of such property.

Mr. Gueldenzopf testified that Petitioner's gross rental income of \$17,200.00 exceeds the threshold established by the statute and therefore no further exemption from the levy of property tax is warranted.

Respondent presented sufficient probative evidence and testimony to show that the subject property was correctly classified as non-exempt status for tax year 2011.

The Board agreed with Respondent's conclusion that no additional exemption is warranted to UMCE as a religious entity because of the limitations placed on gross rental income established by the statute. The Board agreed with Respondent in that the PTA is statutorily bound to deny exemption to UMCE.

**ORDER:**

The petition is denied.

**APPEAL:**

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation of the respondent county, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

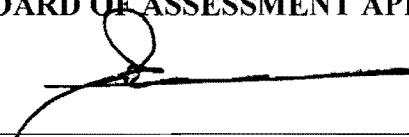
In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

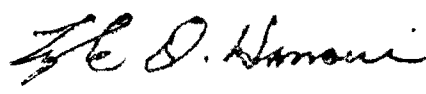
If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

Section 39-8-108(2), C.R.S.

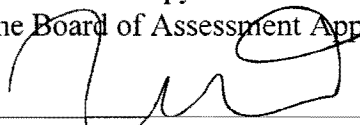
DATED and MAILED this 24th day of July, 2012.

BOARD OF ASSESSMENT APPEALS

  
\_\_\_\_\_  
James R. Meurer

  
\_\_\_\_\_  
Lyle D. Hansen

I hereby certify that this is a true  
and correct copy of the decision of  
the Board of Assessment Appeals.

  
\_\_\_\_\_  
Milla Crichton

