

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 229  
Committee Substitute Favorable 3/26/15

Short Title: Modify Religious Property Exemption.

(Public)

Sponsors:

Referred to:

March 16, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE EXEMPTION FOR REAL PROPERTY USED FOR  
RELIGIOUS PURPOSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-278.3 reads as rewritten:

"§ 105-278.3. **Real and personal property used for religious purposes.**

(a) Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

(1) Wholly and exclusively used by its owner for religious purposes as defined in subsection (d)(1), below; or

(2) Occupied gratuitously by one other than the owner and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

...

(c) The following agencies, when the other requirements of this section are met, may obtain exemption for their properties:

(1) A congregation, parish, mission, or similar local unit of a church or religious body; or

(2) A conference, association, presbytery, diocese, district, synod, or similar unit comprising local units of a church or religious body.

(d) Within the meaning of this section:

(1) A religious purpose is one that pertains to practicing, teaching, and setting forth a religion. Although worship is the most common religious purpose, the term encompasses other activities that demonstrate and further the beliefs and objectives of a given church or religious body. Within the meaning of this section, the ownership and maintenance of a general or promotional office or headquarters by an owner listed in subdivision (2) of subsection (c), above, is a religious purpose and the ownership and maintenance of residences for clergy, rabbis, priests or nuns assigned to or serving a congregation, parish, mission or similar local unit, or a conference, association, presbytery, diocese, district, synod, province or similar unit of a church or religious body or residences for clergy on furlough or unassigned, is also a religious purpose. However, the ownership and maintenance of residences for other employees is not a religious purpose for either a local unit of a church or a religious body or a conference, association, presbytery,



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1 diocese, district, synod, or similar unit of a church or religious body.  
2 Provided, however, that where part of property which otherwise qualifies for  
3 the exemption provided herein is made available as a residence for an  
4 individual who provides guardian, janitorial and custodial services for such  
5 property, or who oversees and supervises qualifying activities upon and in  
6 connection with said property, the entire property shall be considered as  
7 wholly and exclusively used for a religious purpose.

8 ...

9 ~~(e) Notwithstanding the exclusive use requirement of subsection (a), above, if part of a~~  
10 ~~property that otherwise meets that subsection's requirements is used for a purpose that would~~  
11 ~~require exemption if the entire property were so used, the valuation of the part so used shall be~~  
12 ~~exempted from taxation.~~

13 ...

14 (g) ~~Notwithstanding the exclusive use requirement of subsection (a), above,~~ The  
15 following exceptions apply to the exclusive-use requirement of subsection (a) of this section:

16 (1) If part, but not all, of a property meets the requirements of subsection (a) of  
17 this section, the valuation of the part so used is exempt from taxation.

18 (2) ~~any~~ Any parking lot wholly owned by an agency listed in subsection (e),  
19 above, (c) of this section may be used for parking without removing the tax  
20 exemption granted in this section; provided, section if the total charge for  
21 said parking uses shall does not exceed that portion of the actual  
22 maintenance expenditures for the parking lot reasonably estimated to have  
23 been made on account of said parking uses. This subsection shall apply  
24 beginning with the taxable year that commences on January 1, 1978.

25 (3) A building and the land occupied by the building is exempt from taxation if  
26 it is under construction and intended to be wholly and exclusively used by its  
27 owner for religious purposes upon completion. For purposes of this  
28 subdivision, a building is under construction starting when a building permit  
29 is issued and ending at the earlier of (i) 90 days after a certificate of  
30 occupancy is issued or (ii) 180 days after the end of active construction."

31 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on  
32 or after July 1, 2015.