

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B. 229  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH30079-MC-2 (09/03)

Short Title: Modify Religious Property Exemption. (Public)

Sponsors: Representatives McNeill, Shepard, Riddell, and Pierce (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE EXEMPTION FOR REAL PROPERTY USED FOR  
3 RELIGIOUS PURPOSES.

4 The General Assembly of North Carolina enacts:

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

6 "§ 105-278.3. Real and personal property used for religious purposes.

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

- 10 (1) Wholly and exclusively used by its owner for religious purposes as defined  
11 in subsection (d)(1), below; or  
12 (2) Occupied gratuitously by one other than the owner and wholly and  
13 exclusively used by the occupant for religious, charitable, or nonprofit  
14 educational, literary, scientific, or cultural purposes.

15 ...

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

- 18 (1) A congregation, parish, mission, or similar local unit of a church or religious  
19 body; or  
20 (2) A conference, association, presbytery, diocese, district, synod, or similar unit  
21 comprising local units of a church or religious body.

22 (d) Within the meaning of this section:

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



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

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

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

- (1) If part, but not all, of a property meets the requirements of subsection (a) of this section, the valuation of the part so used is exempt from taxation.
- (2) ~~any~~ Any parking lot wholly owned by an agency listed in subsection (e), above, (c) of this section may be used for parking without removing the tax exemption granted in this section; provided, section if the total charge for ~~said parking uses shall~~ does not exceed that portion of the actual maintenance expenditures for the parking lot reasonably estimated to have been made on account of ~~said parking uses~~. This subsection shall apply beginning with the taxable year that commences on January 1, 1978.
- (3) Real property is exempt from taxation if it is (i) under construction, (ii) intended to be wholly and exclusively used by its owner for religious purposes upon completion, and (iii) located on property that meets the requirements of subsection (a) of this section. For purposes of this subdivision, real property is under construction until 90 days after a certificate of occupancy is issued."

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