

BEFORE THE STATE TAX APPEAL BOARD  
OF THE STATE OF MONTANA

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WESTSIDE BAPTIST CHURCH OF )	
BILLINGS, )	DOCKET NO.: SPT-1999-2
)	
Appellant, )	
)	
-vs- )	FACTUAL BACKGROUND,
)	CONCLUSIONS OF LAW,
THE DEPARTMENT OF REVENUE )	ORDER and OPPORTUNITY
OF THE STATE OF MONTANA, )	<u>FOR JUDICIAL REVIEW</u>
)	
Respondent. )	

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The above-entitled appeal was heard on November 15, 1999, in the City of Billings, Montana, in accordance with an order of the State Tax Appeal Board of the State of Montana (the Board). The notice of the hearing was duly given as required by law.

The taxpayer, Westside Baptist Church of Billings, represented by Attorney Jason Harkins, Pastor Lynn Howe, and local realtor Ernie Dutton, presented testimony in support of the appeal. The Department of Revenue (DOR), represented by Attorney Roberta Cross Guns, Appraiser Chuck Morgan, and Specialist Virgil Byford, presented testimony in opposition to the appeal. Testimony was presented and exhibits were received, and a schedule for post-hearing submissions was established. The Board then took the appeal under

advisement; and the Board, having fully considered the testimony, exhibits, post-hearing submissions, and all things and matters presented to it by all parties, finds and concludes as follows:

**FACTUAL BACKGROUND**

1. Due, proper and sufficient notice was given of this matter, the hearing hereon, and of the time and place of the hearing. All parties were afforded opportunity to present evidence, oral and documentary.

2. The taxpayer is the owner of the property which is the subject of this appeal and which is described as follows:

Land only, described as 5.855 acres in Lot 2, Block 1, Westward Ho Subdivision, City of Billings, Yellowstone County, State of Montana.

3. On November 4, 1998, the church applied for a religious property tax exemption for the entire 5.855 acres (application number 0308899).

4. On June 30, 1999, the DOR notified the church that it had granted tax exemption on their church building and 3.05 acres, effective for tax year 1999. The letter from Virgil F. Byford, Tax Appraisal Specialist in the Compliance, Valuation and Resolution division of the DOR, stated, in pertinent part:

Property Legal Description: Granted on 3.05 Acres and the Church Building in Lot 2 of Block 1 of the Westward Ho subdivision.

Note: The remaining 2.805 Acres are denied exemption because they are vacant land which does not meet the use requirements of 15-6-201(1)(b), MCA. Further explanation: Churches must qualify for exemption under 15-6-201(1)(b), MCA which states: "buildings, with land that they occupy and furnishings in the buildings, that are owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of the buildings." This requires the exempt property to meet both an ownership and a use test. In 1988, under STAB Docket Number SPT-88-12, the State Tax Appeal Board upheld the exemption of 5 Acres of the total 10 acres owned by the church at that time. Since the use of this property has not changed since that ruling, except for the portion sold and the other portion taken for street by the city, we adjusted the exempt and nonexempt portions to reflect the loss in acreage to each 5 acre portion that was attributable to the sale of Lot 1, Block 1 and to the street. This left 3.05 acres as exempt and 2.805 acres as taxable.

5. On July 19, 1999, the Westside Baptist Church, through its attorney, Jason L. Harkins, filed an appeal with this Board, stating:

In 1988 Taxpayer was denied tax-exempt status for 5 of the 10 acres it then owned. This was appealed in 1998. See Docket SPT-88-12. The State Tax Appeal Board (STAB) held that five of the ten acres was not used for worship. Thus, the taxpayer determined to dispose of the property that was taxable and retain the property that was used for religious purposes. During the last 10 years, Taxpayer sold and transferred almost 5 acres. Thus, Taxpayer only owns 5.855 acres now. The Montana Department of Revenue has now denied exemption on 2.805 acres because "the use of property has not changed since that ruling." It logically must follow that if the use of the property has not changed since 1988 and since 5 acres met the "use" test in 1988, 5 acres must still meet the "use" test now. Thus, at least 5 acres must qualify as used for religious purposes in 1999.

Additionally, since 1988 Taxpayers (sic) congregation has grown considerably. In 1988 there were about 150

members. In 1999 there were about 250 members. Also, additional programs have been added since 1988 that have increased the "use" of the property for worship and evangelism. Those programs include:

1. Expanded Youth Ministry, including volleyball games, social functions, and Bible School activities such as games that require the use of the whole church property;
2. Special activities that involve whole properties;
3. Evangelism through public service (police task force that had auction of property to raise money for public works).

Because evangelism is necessary to worship, and because evangelism necessarily requires building bridges by social and recreational activities, this property is all necessary for worship.

Evidence of "use" for religious purposes will be introduced at a hearing, if necessary."

6. By letter dated July 21, 1999, the Board acknowledged receipt of the appeal and advised Mr. Harkins that a copy of the complaint would be sent to the DOR, as required by law.

7. On August 5, 1999, Appraisal Specialist Virgil Byford responded to the Board's letter, stating as follows:

The Westside Baptist Church of Billings applied for exemption of Lot 2 in Block 1 of Westward Ho Subdivision on an application dated November 4, 1998. Lot 2 is a 5.855 acre tract that was originally part of a 10 acre tract. The church subdivided the 10 acre tract and sold Lot 1 in Block 1 of Westward Ho subdivision, which contains 2.543 Acres. Also, the City of Billings took an additional 1.602 Acres from the original 10 acres for street. This left the church with 5.855 acres in Lot 2.

Located on Lot 2 is the church building and a parking lot. In 1988 under Docket Number SPT-88-12, the Westside Baptist Church of Billings appealed the Department's denial of exemption for 5 acres of the original 10 acre tract. The State Tax Appeal Board denied the appeal and upheld the DOR's granting of the 5 acres as being "reasonably necessary

for convenient use" of the church building as required by 15-6-201(1)(b), MCA.

Upon reviewing the application for exemption from the Westside Baptist Church in 1999, I reviewed the previous decision under Docket Number SPT-88-12 to determine which portion of the original tract had been designated exempt by the State Tax Appeal Board. This was the front five acres of the original ten acre tract (the portion facing South 32<sup>nd</sup> Street West). Since the church did not indicate a change in use for the rear five acres, or what was left of it after the sale and street removal, that was substantially different than the evidence that was submitted at the hearing in the 1988 case, I subtracted the portion of Lot 1 and the portion taken for street that was attributable to the five acres exempted by the STAB. I did the same for the five acres that had been left on the tax roll. This left 3.05 acres as exempt and 2.805 acres as taxable. We also examined the property to make sure this ruling, in our opinion, satisfied the requirements of 15-6-201(1)(b), MCA as being the portion of the tract that is "necessary for convenient use of the building".

Since we believe that this ruling complies with current law and with STAB's previous ruling, we respectfully request that the State Tax Appeal Board uphold our ruling.

Please consider this the Department's submittal and response to the appeal.

8. On August 19, 1999, David W. Woodgerd, Chief Legal Counsel for the DOR, filed the DOR's answer to the taxpayer's complaint, stating as follows:

FIRST DEFENSE: The Complaint fails to state a claim against the Department upon which relief can be granted.

SECOND DEFENSE (Affirmative Defenses): The Department has correctly determined that only the property actually used for religious purposes is exempt from taxation. Furthermore, the Department denies each and every allegation not expressly admitted in this response.

WHEREFORE, THE Department prays as follows:

1. That the Complaint be dismissed.
2. That the relief requested by the Appellant be denied and the Appellant take nothing.
3. For such other and further relief as the Board may deem just and proper.

9. A telephonic scheduling conference was held on September 28, 1999, at which time the hearing date was set for November 15, 1999.

**TAXPAYER'S CONTENTIONS**

Local realtor Ernie Dutton, who is not a member of the Westside Baptist Church, testified that he had been contacted three or four years ago by Pastor Lynn Howe, who asked him what the church might do to obtain a tax exemption for its entire 10 acres of property. At that time, according to Mr. Dutton, seven of the acres were exempt and three were being taxed. He testified that he had met with Gene Widmer, who worked with the local DOR office, and "asked if the entire property could be tax exempt. He looked at it, and after some discussions, the conclusion was that probably the best course of action would be for the church to sell three of the acres, the three that were being taxed at that point in time." In response to a Board request to clarify whether the taxable acreage was actually three acres or five acres, as specified in **SPT-88-12**, Mr. Dutton stated that "three acres was from recollection, as it had been a few years and I haven't checked it."

Mr. Dutton submitted Taxpayer's Exhibit 1, a two-page exhibit. Page 1 is a letter dated November 15, 1999 from Jeff Bollman, Zoning Coordinator in the City-County Planning

Department, to Ernie Dutton regarding the zoning for the Westside Baptist Church property. This letter states, in pertinent part:

All of Lot 1 of Westward Ho Subdivision is zoned Residential-6,000, while the west one-half of Lot 2 is zoned Public and the east one-half is zoned Residential-6,000. The church is located within the Public zoning district. It appears that the west one-half of the property was zoned public, while the East one-half was zoned Residential-9,600 when the county jurisdictional area was zoned in 1973. The west one-half was annexed into the city limits in 1981 and the east one-half in 1982. Subsequent zone change applications rezoned the east one-half from Residential-9,600 to Residential-6,000 in 1995 (Zone Change #592) and the north 185' of the west one-half was rezoned from public to Residential-6,000 in 1997 (Zone Change #623).

The existing use of a church in the public zone is a nonconforming use. If the church was ever destroyed or an expansion was desired, then the property would have to be rezoned. The most appropriate zone would be the Residential-6,000 zone, since that is what adjoins the public zoning on the north and east. Any expansion of a church in the Residential-6,000 zone would first require approval of a Special Review by the City Council.

Page 2 of Exhibit 1 is a copy of a letter dated November 15, 1999 from Kurt Corey, Billings Public Works Director, to Pastor Lynn Howe, which states, in pertinent part:

At the request of Ernie Dutton, I am providing this formal confirmation of property dedicated to the City of Billings in conjunction with the filing of the plat for Westward Ho Subdivision. It is my understanding the plat was filed with Yellowstone County on or about February 25, 1998, at which time Westside Baptist Church was the record owner of all properties within the subdivision.

In accordance with Montana statutes, and the City of Billings' Subdivision ordinance, right-of-way was dedicated to the City of Billings along both the 32<sup>nd</sup> Street West and the Monad Road subdivision frontages. According to the plat,

*the total area of this dedication amounted to 69,748 square feet. Since the right-of-way dedication was made as a condition of approval of the Final Plat, the Westside Baptist Church received no direct compensation for the dedication of this right-of-way.*

Mr. Dutton explained that the purpose of the letters "is to show that the church went to considerable time, effort and expense to try to comply with the recommendation of the Department's representative at that time, and what the course of action was in fact was to get the property rezoned...to something that would allow us to sell the property."

Exhibit 2 is a large plat of the Westward Ho Subdivision, which shows the subject property. Smaller copies of the map were distributed for reference. Exhibit 3 is a copy of a certificate of survey prepared in November, 1979 by Harlan M. Lund, the former Yellowstone County Surveyor. This map shows the location of the various buildings on the subject property. Exhibits 2 and 3 were used to point out the original church-owned property, the property that was sold, and the property that was donated by the church to the City of Billings.

Taxpayer's Exhibit 4 is a copy of the August 5, 1999 letter to the Board from DOR Appraisal Specialist Virgil Byford explaining the reasons for his tax exemption ruling



on the subject property. This letter is detailed above in **Factual Background, No. 7.**

Pastor Lynn Howe, who has served as Westside's pastor for 26 years, began his testimony by reading the relevant statute, **15-6-201(1)(b), MCA**: *"The following categories of property are exempt from taxation: ... buildings, with land that they occupy and furnishings in the buildings, that are owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of the buildings."*

Pastor Howe testified that after the 1988 Board decision (**SPT-88-12**), which upheld the DOR ruling that 5 acres of the church property were taxable and 5 acres were exempt, it was his understanding that if the church would sell additional land, leaving only 5 acres in church ownership, "the probability was very good at having it (the remaining land) tax exempt." After the church had sold part of the property and transferred land to the City, they were "very shocked," according to Pastor Howe, when the entire remaining 5.855 acres did not qualify for tax exemption.

In response to Mr. Harkins' question of how *worship* is defined, Pastor Howe testified that "we determine what worship is based on the scriptures. Our church believes that the Bible is the sole authority for faith and practice ...

there are basically two lines that the church walks on, one is *edification* and the other is *evangelism*, and worship is involved in both of those." He explained that edification deals with teaching of the scriptures, and evangelism involves preaching Christ's message to the world. Pastor Howe further testified that "in our church, not only do we have services where we pray and we sing and we worship, but we're involved in outreach, and part of that outreach is building bridges to people through activities, whether it be softball or youth outreach. We have our educational ministries of the church, providing things from nursery to adult. Our whole facility and our properties all become a part of that function, and they're all used at different times, even the vacant land, for different activities. And so, we consider all that we do there as a part of worship and a part of outreach and a part of edification. And to limit to just what goes on in the auditorium on Sunday mornings or Sunday evenings would not be a fair picture of what we understand worship to be."

The post-hearing brief, submitted by Attorney Jason Harkins on behalf of the Westside Baptist Church of Billings, states in pertinent part:

*WESTSIDE uses its buildings for actual religious worship and uses all adjacent land for convenient use of the buildings and for worship. Worship is an integral part of*

the statute, yet "Worship" is not defined by the statute. The DOR stipulated to the fact that worship is undefined in the statutes.

The definition of Worship is important because the statute clearly states that the buildings are tax exempt that are owned by a church and used for actual religious worship and "adjacent land reasonably necessary for convenient use of the buildings." How can the DOR determine what land is reasonably necessary for the convenient use of worship in the buildings if worship is undefined. It cannot unless it arbitrarily defines worship.

WESTSIDE has defined the term "Worship" in light of the scripture, the Holy Bible. Worship or worshipping is to show religious devotion or reverence for; adore or venerate as a deity; to have intense love or admiration for; to idolize. The 16<sup>th</sup> statement of faith of WESTSIDE is to "Go and make disciples of all the nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all things that I have commanded you; and lo, I am with you always, even to the end of the age." Matthew 28: 18-20, KJV. To Worship God, WESTSIDE follows this commandment on evangelizing...This is known as the Great Commission. Thus, Worship involves witnessing and attempting to bring those who do not know Jesus Christ to a saving knowledge of his death, and resurrection. To fulfill the Great Commission, and thus to Worship in the church buildings, requires a process of reaching out to people at their level and meeting their needs for food, clothing, love, acceptance, exercise, and excitement. This is done by showing them the love of Jesus. This can be called bridge building...

WESTSIDE uses all of the property it owns for the purposes of building bridges both to the community as a whole and to individuals...

The property at issue in this case, 2.805 acres, is used as a bridgebuilding tool in many activities, both spiritual and physical. Here, the 2.805 acres, as well as the other property is held and used for the convenient worship of the church family. The great commission requires WESTSIDE to make disciples, baptize and teach all things. In order to make disciples, one must build bridges to unbelievers. To build bridges, all of the land owned by WESTSIDE is used as part of the church goals of reaching those who are not Christians...

WESTSIDE Baptist Church uses all of its buildings for the purposes of worship and the surrounding land is all used

*for supporting that worship. Thus all property owned by WESTSIDE should be tax exempt property.*

#### **DOR'S CONTENTIONS**

DOR's Exhibit A is a copy of a map prepared by a staff person from the local appraisal office, which shows the location of the church building, sheds, septic field, parking lot, roads, open fields, and other details of the subject property. The map is color coded to indicate the original plat before it was subdivided, and the portion of the subject property that is exempt from taxation. Exhibit B is a copy of the church's original master plan that was submitted with the first application for tax exemption. This map indicates the original 10-acre tract, the original area that was exempted under **SPT-88-12**, and the area that was subdivided and sold.

Mr. Byford testified that in making the determination that 3.05 acres of the land is exempt and 2.805 is taxable, "one of the local appraisers visited the property, made some measurements of the facilities on the property, including the parking lot, the building, approximate location of the septic field, and some overflow parking, sent me a drawing of those locations, and from talking to her and from measuring the drawing, I arrived at those figures." He explained that the land that is exempted includes the church

building, a reasonable area around the building for a lawn, a parking lot, and the septic field. "Reasonable area" for a lawn is considered to be approximately 30 feet around the building, which "seems like a reasonable area to be able to walk around the building and be able to work on it or anything you need to do on it."

Mr. Byford testified that the land that was exempted complied with the applicable statute, **15-6-201(1)(b), MCA**, which allows exemption for adjacent land that is reasonably necessary for the convenient use of the church building. He cited the following Supreme Court and STAB cases to support the DOR's position on land exemption: ***Old Fashion Baptist Church v. Montana DOR***, 206 Mont. 451; ***Church of Christ v. DOR***, SPT-1984-22; ***Emmanuel Baptist Church v. DOR***, SPT-1985-33; ***Belt Community Church v. DOR***, SPT-1987-17; ***Fellowship Baptist Church v. DOR***, SPT-1990-6; ***Trinity Baptist Church v. DOR***, SPT-1990-7; and ***Westside Baptist Church v. DOR***, SPT-88-12. Mr. Byford testified that he did not believe the non-exempt portions of the subject land are "reasonably necessary" for the "convenient use" of the building.

Summarizing the DOR's case in her closing statement, Ms. Cross Guns testified that the statute is very clear in providing exemptions for "adjacent land reasonably necessary for convenient use of the buildings." She stated that "the

statute speaks for itself, but even if it didn't, we can look to some case law that will help us. Property tax exemptions, according to the Montana Supreme Court, are to be strictly construed. Beginning in 1918, a case called ***Cruse v. Fischl***, 55 Mont 258, was the very first, as far as I can find in my research, case that addresses this particular issue. And it says, if no ambiguity exists, and what the lawmakers said and the language of the statute plainly expresses an intent, the letter of the law will not be disregarded under the pretext of pursuing its spirit... We are not concerned here with evangelism and edification that occurs outside those buildings. That isn't the purpose or the intent or the spirit of the law. The law is clear. It's only those buildings and the land reasonably necessary for the use of those buildings... In every claim for exemption from taxation, it should be denied unless the exemption is granted so clearly as to leave no room for any doubt. The doubt comes in when you get into the land out back where they have social activities. And certainly we all like social activities, and we all feel that they are an important part of our community connectedness. And that's an important part of a church community. But is it something that the State of Montana is interested in for a tax exemption? Clearly, that's not what the law says. On at

least six previous occasions, the State Tax Appeal Board has provided guidance on this very issue, and has said that it's laudable that the church wants to expand the church community; it's laudable that the church wants to provide outdoor activities for its children and church members, and that this is a necessary part of church activities, but it's not something that the State of Montana gives exemptions for."

Ms. Cross Guns concluded, "and, finally, I believe that the testimony of Virgil Byford was clear and convincing that Westside Baptist Church does not qualify for the tax exemption that they now seek. They are stuck on the five acres. The acreage has nothing to do with it. It's what is the use of this land. Again, it is laudable, and we applaud their efforts to have acreage available to the children of the church to play and enjoy each other. That's what fellowship is about. That's what being part of a church community is about. It's not what the State of Montana exempts. I think the testimony is clear that what we exempt is the buildings and only the property necessary for the convenient use of that place of worship."

#### **BOARD'S DISCUSSION**

The Board first consulted the dictionary for a definition of *worship*. **Random House Webster's College**

**Dictionary**, 1997 edition, defines *worship* as "1. Reverent honor and homage paid to God or a sacred personage, or to any object regarded as sacred. 2. Formal or ceremonious rendering of such honor and homage." **Black's Law Dictionary**, Sixth Edition, defines *worship* as "Any form of religious service showing reverence for Divine Being, or exhortation to obedience to or following of the mandates of such Being. Religious exercises participated in by a number of persons assembled for that purpose..." As described in the Westside Baptist Church's post-hearing brief, the church has expanded the concept of worship to *reaching out to the community and "building bridges,"* through activities that use all of the subject property rather than just the church building and the other exempted land. Mr. Harkins questions "how the DOR can determine what land is reasonably necessary for the convenient use of worship in the buildings if worship is undefined in the statutes." Ms. Cross Guns, in the DOR's post-hearing brief, states that the terms "actual religious worship" are neither vague nor ambiguous and modify the term "buildings." She continues:

*The rules of statutory construction indicate that where terms used in a statute are vague or ambiguous, the statute is void. As early as 1935, the Court recognized this simple rule. State ex rel. State Board of Education et al. v. Nagle (1935), 100 Mont. 86, 45 P.2D 1041. In addressing the question of whether terms are vague or ambiguous, the Court directs us to a standard dictionary. Id. at 92. The Court*



then admits the issue of ambiguity is a factual one. *Id.* In a later case, the Court indicates that the factual inquiry must discern whether a person of common intelligence could understand the intent of the statute. **Rierson v. State** (1980), 1988 Mont. 522, 614 P.2d 1020.

In the case now before the Board, the statutory language requires no special knowledge to understand it. The common dictionary definition of the terms is clear. When the terms "actual religious worship" are properly applied to the buildings, it becomes clear that the Church's assertions are irrelevant. While clearly it is laudable that the Church uses the non-exempted property for worship purposes, those other areas are not buildings. Furthermore, those non-exempted areas of the property are not reasonably necessary for the convenient use of those buildings. Finally, from the evidence presented by the Church, it appears the non-exempted property is used for recreational purposes rather than "actual religious worship."

Pastor Howe had testified that "there are churches that have more land than we do, according to my examination of some of the tax records, and their properties are totally exempt. We have less land, and we're taxed, and I just don't understand that." No evidence was presented by the taxpayer to substantiate this charge; therefore, the Board did not consider it to be relevant.

The church gave considerable weight to the fact that in the 1988 STAB decision, five acres of their total ten acres of property were exempted from taxation. Therefore, they believed that if they sold five acres, the remaining five acres would be totally exempt. Mr. Dutton had testified that Gene Widmer, a former DOR employee, had indicated to him and Pastor Howe that if the church would sell the acres that

were being taxed, then the entire remaining property would be tax exempt. Pastor Howe did not remember the name of the DOR staff person with whom they had talked, but it was also his understanding at that time that if they sold some of the land, "the probability was very good at having it (the remaining land) tax exempt." Since neither Mr. Dutton nor the church had anything in writing to verify this, and Gene Widmer was not present to testify, the Board did not consider this information to be relevant.

Although in the 1988 appeal the church had requested exemption for the entire ten acres and was granted an exemption for only the five acres, they did not appeal that decision to the District Court. Mr. Byford testified that there is no such thing as a 50/50 ratio to determine the exemption. "Each property is examined on its own merits. What we look at is the actual amenities of the land, what's actually there, and that's what we make our determination from. You have to look at the property, what it's being used for, what the amenities are and how it fits in with the exemption statute." In response to a question from the DOR, Mr. Byford stated that if there were to be a change in the use of the property, such as additional buildings or parking that was necessary for use of the building, there might be a change in the status of the property for exemption purposes.

The Board examined the relevant statute, **15-6-201(1)(b), MCA**: "*The following categories of property are exempt from taxation: (b) **buildings**, with **land that they occupy** and furnishings in the buildings, that are owned by a church and **used for actual religious worship** or for residences of the clergy, together with **adjacent land reasonably necessary for convenient use of the buildings;**" (emphasis added). The DOR granted tax-exempt status to the church building and to sufficient adjacent land that is "reasonably necessary for the convenient use of the facility." Pastor Howe presented a convincing argument that the balance of the church's property is used, at least part of the time, for social, recreational and worship-related activities, and as a "bridge building tool" to the community. However, the Board does not believe that this additional property is "reasonably necessary for the convenient use of the facility," thus justifying a tax exemption according to the statute. Without this land, the church could still function and carry out its mission. If the Westside Baptist church follows its original master plan and expands its buildings and parking lot, they may apply to the DOR for an additional exemption, based on the new use of the land.*

The Board studied the previous STAB decisions and Montana Supreme Court cases cited during the hearing, and could find no precedent in any of those cases that would allow an additional exemption to the taxpayer in this appeal. The Board finds that the taxpayer failed to present sufficient evidence to sustain the burden of proof on appeal; and, therefore, the appeal for additional tax exemption on the subject property is denied and the decision of the DOR is upheld.

**CONCLUSIONS OF LAW**

1. The State Tax Appeal Board has jurisdiction over this matter. **§15-2-301, MCA.**

2. **1972 Montana Constitution, Article VIII, Section 5(1)(b).** "The legislature may exempt from taxation ... places for actual religious worship..."

3. **§15-6-201, MCA. Exempt categories.** (1) The following categories of property are exempt from taxation: (b) buildings, with land that they occupy and furnishings in the buildings, that are owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of the buildings.

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ORDER

IT IS THEREFORE ORDERED by the State Tax Appeal Board of the State of Montana that the subject property shall be maintained on the tax rolls of Yellowstone County by the Assessor of said County at the value determined by the DOR. The appeal of the taxpayer is therefore denied, and the decision of the DOR denying exemption on 2.805 acres of the subject property for tax year 1999 is affirmed.

Dated this 13th of January, 2000.

BY ORDER OF THE  
STATE TAX APPEAL BOARD

( S E A L )

\_\_\_\_\_  
GREGORY A. THORNQUIST, Chairman

\_\_\_\_\_  
JAN BROWN, Member

\_\_\_\_\_  
JEREANN NELSON, Member

NOTICE: You are entitled to judicial review of this Order in accordance with Section 15-2-303(2), MCA. Judicial review may be obtained by filing a petition in district court within 60 days following the service of this Order.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 13<sup>th</sup> day of January, 2000, the foregoing Order of the Board was served on the parties hereto by depositing a copy thereof in the U.S. Mails, postage prepaid, addressed to the parties as follows:

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