

**PT 05-3**  
**Tax Type: Property Tax**  
**Issue: Religious Ownership/Use**

**STATE OF ILLINOIS**  
**DEPARTMENT OF REVENUE**  
**OFFICE OF ADMINISTRATIVE HEARINGS**  
**SPRINGFIELD, ILLINOIS**

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<b>THE DEPARTMENT OF REVENUE</b>	)	
<b>OF THE STATE OF ILLINOIS</b>	)	
	)	<b>Docket No. 04-PT-0005</b>
<b>v.</b>	)	<b>PIN 18-04-104-001</b>
	)	<b>PIN 18-04-104-002</b>
<b>CHRISTIAN FAMILY CENTER</b>	)	<b>PIN 18-04-104-006</b>
<b>CHURCH, INC.</b>	)	<b>Tax Year 2003</b>
<b>Applicant</b>	)	

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**RECOMMENDATION FOR DISPOSITION**

Appearances: Kent Steinkamp, Special Assistant Attorney General, for the Department of Revenue of the State of Illinois; Floyd C. Daily, Attorney at Law, for Christian Family Center Church, Inc.

Synopsis:

This case concerns whether property that is located in Peoria County and owned by Christian Family Center Church, Inc. (“applicant”) qualifies for a property tax exemption for the year 2003. The applicant alleges that the property qualifies for an exemption on the basis that it is used exclusively for religious purposes pursuant to section 15-40 of the Property Tax Code (“Code”) (35 ILCS 200/15-40). The Department of Revenue (“Department”) denied the exemption on the basis that the property has not been adapted for religious use. The applicant timely protested the denial, and an

evidentiary hearing was held. During the hearing, the applicant conceded that one of the parcels, 18-04-104-006, is not exempt. After reviewing the record concerning the remaining two parcels, it is recommended that the property be exempt from taxes.

FINDINGS OF FACT:

1. The applicant operates the Christian Family Center Church, which is a Southern Baptist denomination. On November 18, 2002, the applicant purchased property located at 602-614 Richmond Avenue in Peoria. This property includes two parcels that contain four buildings and is the property at issue in this case. (Dept. Ex. #1, pp. 14-15, 40; Tr. p. 76)

2. St. Cecelia Church previously owned the property and used the buildings for a church, school, rectory, and convent. (Dept. Ex. #1, p. 40; Tr. p. 36)

3. St. Cecelia Church sold the property to someone who converted the church into small living quarters for unwed mothers. This person defaulted on his loan, and the bank conveyed the property to the applicant. (Dept. Ex. #1; Tr. pp. 36, 49, 68, 101)

4. The applicant currently owns property at three different locations, which are known as follows: Midtown campus, Bradley campus, and Southtown campus. The property at issue in this case is known as the Midtown campus. (Tr. pp. 11, 72)

5. The Bradley campus is where the applicant's central worship is held. It is also the applicant's administrative campus. (Tr. p. 72)

6. The three campuses are collectively used for the ministry of the church. (Tr. pp. 72-73)

7. During 2003, the applicant had regular worship services and Sunday school for children at the Bradley campus. (Tr. pp. 25-26)

8. After the Midtown campus was purchased, the deacons of the church began meeting once a week at the Midtown campus and continue to do so. The meetings begin with a prayer. (Tr. pp. 13-15, 28-29)

9. When the applicant took possession of the Midtown campus, the church building was not set up for conducting worship services. (Tr. p. 37)

10. The applicant established three separate development committees and expected the development of the property to take approximately 18 months. One committee focused on the retreat center (formerly the convent), one committee worked on the community program center (formerly the rectory) and one committee worked on the school and worship center (formerly the school and church). (Dept. Ex. #1; Tr. pp. 45-49, 84-85)

11. The three subcommittees began meeting in December 2002 and continued to meet on a regular basis at the Midtown campus until the groups merged into one committee in August 2003. (Tr. pp. 47-49)

12. After purchasing the property, the applicant began cleaning up the grounds, which took approximately seven to eight months. One of the deacons, Mr. Edward Johnson, did most of the cleanup. Occasionally some people from the community helped him. (Tr. pp. 37-38)

13. Mr. Johnson maintained the buildings. (Applicant's Ex. #2; Tr. pp. 43-44)

14. Court counseling workers assisted Mr. Johnson with work on the property in April and May of 2003. (Applicant's Ex. #4; Tr. pp. 40-41)

15. The work that needed to be done to some of the buildings included the following: remove the carpeting, remove the ceiling tile, remove the bathrooms and

toilets from the living quarters in the church, replace the heating and air conditioning systems, update the bathrooms in the school, paint the walls, fix the elevator, replace windows, and clean the premises. (Applicant's Ex. #5, 6; Tr. pp. 49-52)

16. In December 2002, the applicant began removing carpeting from the buildings. (Tr. p. 39)

17. The Midtown campus is located in a neighborhood that has low and moderate income families. (Tr. pp. 42, 80)

18. The applicant participates in a program called Adopt-A-Block, which involves visiting a block in the community to determine the needs of its residents. After visiting with the residents, the applicant's volunteers return to the church to discuss the needs, collect things that are needed, and return to the block to give the items to the residents. (Tr. pp. 15-16)

19. Each team of volunteers is assigned a block on a permanent basis. They visit the block once a week and knock on every door on that block and ask them if there is anything they can do to make their day better. (Tr. pp. 31, 81)

20. The applicant became interested in the Adopt-A-Block program prior to the purchase of the Midtown campus. After the Midtown campus was purchased, the applicant's volunteers began meeting at the Midtown campus. All of the blocks that the applicant has "adopted" have been within a few blocks of the Midtown Campus. (Tr. pp. 15-16, 30-32)

21. The applicant's members pray and worship before each meeting concerning the Adopt-A-Block program on the Midtown campus. (Tr. pp. 16-17, 28-30)

22. The applicant receives donations such as doors, windows, appliances, and furniture, and the applicant stores these items on the Midtown campus. The applicant gives these items to people who need them. The applicant also provides free food and financial assistance. (Applicant's Ex. #11; Tr. pp. 17, 20-21, 23, 81)

23. The applicant has a program called Setting the Captives Free, which entails helping people out of "bondage" such as smoking and unemployment. The members of this program meet on a regular basis on the applicant's property. The applicant provides spiritual guidance for these people. (Tr. pp. 23-24)

#### CONCLUSIONS OF LAW:

The applicant has requested a religious exemption from the property tax pursuant to section 15-40 of the Property Tax Code ("Code"), which provides in part as follows:

All property used exclusively for religious purposes, or used exclusively for school and religious purposes, or for orphanages and not leased or otherwise used with a view to profit, is exempt, \* \* \*. 35 ILCS 200/15-40.

In deciding whether property is exempt under this provision, the primary use of the property, rather than its incidental use, must be considered. Illinois Institute of Technology v. Skinner, 49 Ill.2d 59, 65-66 (1971); People ex rel. Pearsall v. Catholic Bishop of Chicago, 311 Ill. 11, 16 (1924). In order to qualify for the exemption, the property must actually be used for the exempt purpose. Illinois Institute of Technology at 64. Intention to use is not the same as actual use. Id.

It is well-established that property tax exemption provisions are strictly construed in favor of taxation. Chicago Patrolmen's Association v. Department of Revenue, 171 Ill.2d 263, 271 (1996). The party claiming the exemption has the burden of clearly

proving that it is entitled to the exemption, and all doubts are resolved in favor of taxation. Id.; City of Chicago v. Department of Revenue, 147 Ill.2d 484, 491 (1992).

In the present case, the evidence indicates that the property was actually used for religious purposes during 2003. The applicant's members held meetings on a regular basis on the property, and they prayed and worshiped before each meeting. The applicant has continually maintained the property and has worked toward improving the property since it was acquired. The Adopt-A-Block program is operated out of the Midtown campus, and all of the blocks that have been adopted are near that campus. The applicant stores items that are used for that program at the Midtown campus. Because the applicant actually used the property for religious purposes during 2003, the property is entitled to an exemption.

Recommendation:

For the foregoing reasons, it is recommended that parcels 18-04-104-001 and 18-04-104-002 be exempt from property tax. Parcel 18-04-104-006 is not exempt.

Linda Olivero  
Administrative Law Judge

Enter: February 1, 2005