

# **Bond Case Briefs**

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## **TAX - NEW JERSEY**

### **Borough of Hamburg v. Trustees of Presbytery of Newton**

**Tax Court of New Jersey - February 11, 2015 - 2015 WL 604073**

Borough's tax assessor issued a letter denying the Presbytery of Newton's request for tax-exempt status of the Subject Property - a storage building adjacent to a Church - for tax year 2013. The Presbytery thereafter filed an appeal to the County Board, challenging the tax assessor's denial of tax-exempt status. The County Board granted tax-exempt status to the Subject Property, finding that the Presbytery satisfied the requirements of the religious use exemption pursuant to N.J.S.A. 54:4-3.6. The Borough appealed to the Tax Court.

The Tax Court affirmed the County Board's judgment granting tax-exempt status to the Subject Property pursuant to N.J.S.A. 54:4-3.6.

The court found that the testimony during trial adequately established that a substantial quantity of religious artefacts were stored in the Subject Property. Based on the size and quantity of these artefacts, no reasonable storage alternative was available to the Church. Further, the use of the Church to store goods in connection with the Foundation for Peace was a valid charitable purpose that advanced the religious mission of the Presbytery. Accordingly, the court concluded that the Church was reasonably necessary for the Presbytery's religious purpose, and therefore satisfied the actual use requirement of the use test.

As for worship services, there is no requirement in N.J.S.A. 54:4-3.6 that worship services must be offered in order to qualify for exemption. After reviewing the evidence presented during trial regarding the use of the Subject Property, the court found that the Church and Subject Property were an "integral part of the operations of the active parishes" and therefore "reasonably necessary" for the Presbytery's religious purpose. The court found that the Presbytery actually used the Subject Property for its religious purpose, thus satisfying the requirements for exemption under N.J.S.A. 54:4-3.6.