

Court of Appeals Decision Reaffirms That Property Owned by Religious Societies Must Be Predominately Used for Religious Purposes to Qualify for Tax Exemption

By: Erica J. Sarver and Nathan D. Dupes, Members
Municipal Law and Government Relations Practice Group

On September 30, 2024, the Michigan Court of Appeals upheld the denial of a property tax exemption for church retreat property in *Woodside Bible Church v. Township of Forester*, COA No. 366944. The Court of Appeals ruled that the property, a retreat house where visitors could enjoy “extended periods of time away from the busyness of life,” was not predominantly used for religious purposes as required by MCL 211.7s. Instead, “the property was predominantly used for recreational purposes.”

While the petitioner was unquestionably a religious society, the materials submitted did not describe any specific religious services or teachings provided at the property. Instead, marketing materials for the property indicated that third parties who rented the property were responsible for developing their own itinerary.

This case is an example of the fact that mere ownership of property by a religious society is insufficient for exemption. The Court’s ruling also makes clear that religious entities must ensure that the religious services provided at exempt properties are well documented.

For assistance with property tax exemption issues, please contact one of the authors. Bodman cannot respond to your questions or receive information from you without establishing an attorney-client relationship and clearing potential conflicts with other clients. Thank you for your patience and understanding.

ERICA J. SARVER

313-393-7548

esarver@bodmanlaw.com

NATHAN D. DUPES

313-393-7590

ndupes@bodmanlaw.com