



2. Parcel 08700003201 (“Parcel 1”) is 0.78 acres of unimproved land located at 4205 Central Pike.

3. The exemption application for Parcel 1 indicated the property would be used for parking and church yard; no information about frequency of use and date use began was included.

4. Parcel 08700003300 (“Parcel 2”) is 0.49 acres of unimproved land located at 0 Central Pike.

5. The exemption application for Parcel 2 indicated that the property would be used for a church yard; no information about frequency of use and date use began was included.

6. Parcel 08700003202 (“Parcel 3”) is 0.88 acres located at 4201 Central Pike and is improved with an approximately 3076 square foot building and a paved parking lot.

7. The exemption application for Parcel 3 indicated that the property would be used for “typical church worship and ministry activities” and paved parking; the use was described as “daily/weekly.”

8. All three adjoining parcels were acquired by NBIM on May 31, 2019.

9. In the Initial Determination denying the exemption<sup>1</sup> applications, the designee states, “The subject parcels appear vacant and unused. It is the current and active use of property that qualifies it for exemption, not the future or intended use. Please apply again when use begins.”

10. NBIM intends to use the building on Parcel 3 as a church-operated daycare with the adjoining parcels being utilized as parking.

11. At the time of the hearing, NBIM was waiting for a sewer capacity study to be completed by Metro before NBIM could get a permit to connect to the sewer line and make the property functional as a church-operated daycare.

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<sup>1</sup> Each application indicated that the parcels were replacements for property owned by NBIM and previously approved for an exemption with a notation “see ER# 55032.” However, further information about ER #55032 does not appear in the record and was not addressed in the Initial Determination.

12. NBIM also has a food-prep kitchen for the church's food-nutrition program on another nearby property and the parking lot of Parcel 3 is being used to park the food delivery vans on a daily basis. The food-nutrition program is utilized to feed approximately 1,000 children per day.

13. On some occasions, the property has been used to host tent services for the church.

14. The building on Parcel 3 is being utilized for storage of church equipment and furniture until the sewer issues are resolved.

15. The building is also used for a virtual Bible study that takes place once a week.

#### APPLICABLE LAW

Pursuant to TENN. CODE ANN. § 67-5-212, property may be exempt from property taxation if it is owned, occupied, and used for an exempt purpose. Tax exemption statutes are construed liberally in favor of religious, charitable, scientific, and educational institutions. *Youth Programs, Inc. v. Tennessee State Bd. of Equalization*, 170 S.W.3d 92 (Tenn. Ct. App. 2004). To qualify for exemption from property taxes, property must be owned, occupied, and used by a qualifying institution. TENN. COMP. R. & REGS. 0600-08-.02(2). Before it may qualify for exemption, land must be in actual use for exempt purposes of the exempt institution. See *Metro. Gov't of Nashville & Davidson Cty. v. State Bd. of Equalization*, 543 S.W.2d 587 (Tenn. 1976) (Land was not being 'occupied and used' within the meaning of the exemption statute while the hospital was under construction.)

Future use or development of a property is insufficient to meet the statutory use requirement. *Oak Ridge Hospital of the Methodist Church, Inc. v. County of Anderson*, 420 S.W.2d 583 (Tenn. Ct. App. 1967). See also TENN. CODE ANN. § 67-5-212(b)(5) (specifying that "[p]roperty is not actually being used for an exempt purpose if the property is not currently in use,

has been abandoned, is not suitable for human habitation, or is being used for a nonexempt purpose.”) The State Board has interpreted the statute to mean that active regular use is required for exemption.

### ANALYSIS AND CONCLUSIONS OF LAW

Upon review of the record, the undersigned judge finds that the State Board designee’s determination was correct regarding the two vacant parcels, Parcel 1 and Parcel 2. Neither parcel has been utilized on a regular basis for an exempt purpose. Occasional tent services held every few months do not constitute active and continuous use.

It is apparent from the testimony offered by Mr. Williams that Parcel 3 has been in active and continuous use<sup>2</sup> for an exempt purpose. The parking lot of Parcel 3 is used on a daily basis to park the food service delivery vans that serve as transportation and distribution for NBIM’s food-nutrition program. As Mr. Williams’ testimony reflects, the food ministry is certainly “directly incidental to or an integral part of” NBIW’s purpose as an exempt institute. See *Methodist Hospitals of Memphis v. Assessment Appeals Commission*, 669 S.W.2d 305 at 307 (Tenn. 1984). In addition, the building, although not now in use as a church day care, is being used to store church equipment and furniture as well as serving as a location for the weekly virtual Bible studies. “There is no doubt that storage of items reasonably necessary for the conduct of worship services and other religious functions is an exemptible use of church property.” See *Oakwood Forest Christian Church*, (Initial Decision and Order, Sullivan County, Tax Year 2006, issued October 6, 2006).

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<sup>2</sup> It is unclear from the record whether the exempt use of the property predated the application received on May 13, 2021. NBIM owned the property for approximately two years prior to applying for exempt status. For purposes of this Order, the judge relies upon the application date to establish exempt status.

## DETERMINATION

It is **ORDERED** Parcel 08700003202 (Parcel 3) shall be exempt, effective May 13, 2021.

It is further **ORDERED** that Parcel 08700003201 (Parcel 1) and Parcel 08700003300 (Parcel 2) do not qualify for exemption at this time.

Pursuant to the Uniform Administrative Procedures Act, TENN. CODE ANN. §§ 4-5-301–325, TENN. CODE ANN. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to TENN. CODE ANN. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. TENN. CODE ANN. § 67-5-1501(c) provides that an appeal “**must be filed within thirty (30) days from the date the initial decision is sent.**” Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal “**identify the allegedly erroneous finding(s) of fact and/or conclusions of law in the initial order**”; or
2. A party may petition for reconsideration of this decision and order pursuant to TENN. CODE ANN. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

**The result of this appeal is final only after the time expires for further administrative review, usually seventy-five (75) days after entry of the Initial Decision and Order if no party has appealed.**

ENTERED this 3rd day of May 2022.



Leigh Thomas, Administrative Judge  
Tennessee Department of State  
Administrative Procedures Division  
William R. Snodgrass, TN Tower  
312 Rosa L. Parks Avenue, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243

**CERTIFICATE OF SERVICE**


The undersigned hereby certifies that a true and exact copy of the foregoing Order has been emailed or otherwise transmitted to:

Brandon Williams [BW\\_NBMINC@YAHOO.COM](mailto:BW_NBMINC@YAHOO.COM)

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This this 3rd day of May 2022.



Leigh Thomas, Administrative Judge  
Tennessee Department of State  
Administrative Procedures Division  
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