

PETER & JOHN RADIO FELLOWSHIP,
INC.

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IN THE

vs.

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MARYLAND TAX COURT

SUPERVISOR OF ASSESSMENTS OF
CARROLL COUNTY

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Nos. 02-**MI**-CR-0574
through 02-**MI**-CR-0578

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**AMENDED
MEMORANDUM OF GROUNDS FOR DECISION**

Petitioner, Peter & John Radio Fellowship, Inc., seeks a property tax exemption granted religious groups under Section 7-204 of the Tax-Property Article. The property is known and operated as the River Valley Ranch (“RVR”). The tax exemption under Section 7-204 provides:

“Property that is owned by a religious group or organization is not subject to property tax if the property is actually used exclusively for:

- (1) public religious worship;
- (2) a parsonage or convent; or
- (3) educational purposes.”

The Supervisor contends that:

- 1) P&J is a religious organization, but not a church;
- 2) Seven dwellings and their homesites are employee housing, not parsonages, and are taxable; and
- 3) P&J actually and exclusively uses 300 out of 502 acres for public religious worship/educational purposes.

RVR contends that it is a church and that the property is exempt because it is used for public religious worship and that the entire property is so exempt. RVR further

contends that certain of the residences are exempt because those residences function as parsonages. The Court of Appeals has already affirmed that RVR should be seen as a religious organization engaged in public worship (a church) and not as an educational camp run by a religious organization. Supervisor v. Peter and John Radio Fellowship, 274 Md. 353 (1974) (“Peter & John I”). The IRS has ruled that RVR constitutes a church. It is by virtue of its status as a church that RVR contends all of the property should be tax exempt.

The Court finds that RVR was established in 1952 with the intention of creating an Evangelical Christian church to reach otherwise unchurched youth. From its founding, RVR was intended to be a church for people who might otherwise avoid church. Tom Bisset testified that:

“My father had concern about evangelizing I would say probably a preeminent concern of his life was evangelism. Doing the mission of the gospel and he was very much concerned that the institutional church was not getting that job done. The church had become a place where— especially young people found not very interesting. And his vision was to take the mission and the message of the church and recast it so that it became attractive to young people and to young adults as well. In particular young people and young adults and youngsters so that they would come, be attracted to— come as it were into the church, well [sic, should read “without”] really recognizing it as a church and hear the same message and have the same ministry that the church would perform only within the barriers if you will. The sort of institutionalization of the church. And he took that and put it into a frame work of a western style camp.”

There is no doubt that RVR functions as a church. Jon Bisset’s testimony was persuasive. He testified:

“... that a church has three basic responsibilities, all of which the ranch does. The first responsibility would be Evangelism. This comes right out of the great commission, Matthew chapter 28 where Jesus commands his disciples to go out into all the world and to make disciples and tell about him.

So the first part of that of course is going out to those who do not believe, who are unbelievers and telling them about Jesus Christ. The way we do that at our camp is, that's through our camper program. We specifically target unchurched kids. Kids who would not normally darken the doors of a traditional church, who would come to our place, because we don't look like a traditional church. And we have some things that we are doing that sound fun to them. So that is sort of an attractive quality that they have to come to our camp. So in that way we are unable to get unchurched kids come to our church. That's the Evangelism peak of what we do.

The second part of that great commission is that you are to make disciples. And that is sort of what we have been talking about here with our workers program. We have about 120 or 140 workers who come to the camp, both in the summer and some year round and some full-time who are there for the purpose of discipling them and training them to become ministers in the future. That's how we do our discipleship part.

The third part in command and the scripture is that Christians have fellowship for one another. And the New Testament word for church is ecclesial, which means the called-out ones. So in that sense, believers are commanded. We call them out of the culture to a separate place where they can be taught, where they can worship, where they can encourage one another in their faith. Most traditional churches do that on Sunday morning (inaudible) into a building or something like that.

At the ranch we feel this is one of our strongest points because we call the kids out of their culture, out of where they are living, out of the neighborhoods to come up to this unique place. And we have them for 24 hours a day for an entire week. Some are there for multiple weeks, some are there the entire summer and some are there the entire year. We have this opportunity to fellowship with them, to break bread with them as the scripture talks about. Which is maybe sharing a dinner table together. For the purpose of encouraging them and teaching them, and helping them as they sort of struggle against all the dangers and threats that come from them a worldly (inaudible)."

The Court agrees with the Petitioner that the primary purpose of RVR is to evangelize young people with the Evangelical Christian message and to change their lives accordingly. Tom Bisset testified that:

"Primarily that camp is there to Evangelize these young people and administer to them, reach them for Christ and to change their lives. We wouldn't do the

other, we wouldn't do the camps, we wouldn't do the horses, Extreme Camps, skateboarding and all that just to have a good time. We use that in order to attract these young people in, so that they can hear the message"

It is clear that RVR performs the church functions and is not merely a church camp.

The Supervisor offers certain dictionary definitions of the terms minister, parsonage and church. But Petitioner's witness, Rev. David Shive, testified as to the definition of a "church" as understood by Evangelical Christians. "There is no statement in the New Testament that specifically gives a dictionary definition of what the church is. But by examination of the New Testament, we can find that the New Testament is with people, that they have leadership of some sort and that they are taught, that they assemble for fellowship, that they assemble to be taught specifically and that they assemble for prayer." Rev. Shive testified that RVR fulfills the Biblical mandate for a church: "[E]verything that is done at River Valley Ranch is in view with the ministry of the Gospel and it is for the purpose of bringing individuals to the knowledge of Jesus Christ and to allow them to grow in their knowledge of Jesus Christ. As such then, all the activities are linked even to the smallest thing... In everything that is done at River Valley Ranch is church related in that it is fulfilling the mandate Christ gave to his church."

Moreover, the fact that RVR uses elements of a summer camp to package (repackage) the church does not make it a summer camp. When Jon Bisset was asked, How River Valley Ranch was different from other summer camps? He testified:

"Well, most summer camps have some kind of purpose that they are trying to achieve with what they are doing. They have camps that are trying to teach environmental awareness, they have camps where they do weight reduction, they have camps that teach specific skills like Boy Scouts or the sports camps, things like that. And there are even Christian camps or camps that are trying to

teach a specific world view like fishing [sic, should read 'Christian'] camps or Jewish camps as such.

Before I get to us or make a comment about the church camps and the recreational Christian camps. Those camps, their primary – the way they do things is most Christian camps are extensions of some kind of a church or denomination or churches, they are church camps. The church has their own body where they meet and this camp, this supplemental place where they can go and reinforce what they are teaching at their church and they are doing.

At the ranch, we are different than church camps. We are not a church camp, we are a camp that is a church. Meaning that we don't have another place, another body that we are an extension of. We are the church, we are the place where all these three, four functions occur. The Evangelism, the discipleship, the fellowship all occurs at the camp and nowhere else. So we are not a supportive role of a church, we are the church. We are the only place that exists. So that makes us different then where most Christian camps and church camps are.”

Another witness for the Petitioner, John Zigenfuse, testified about the full integration of the teaching of the Gospel in all RVR activities. It starts with the first meeting of the counselors with the campers. Not only are the campers introduced to that in the first meeting, but then they attend two formal church services each day (morning and evening). One of the formal church services is held at the Old Town Meeting House. The other formal service is held at the site of the activity somewhere on the property.

In addition to the formal church services, campers receive religious instruction and are engaged in public worship during all of the activities. Mr. Zigenfuse further testified that:

“[T]here is a teaching time before they do the activity, okay. Then they do the activity, then we do a scripture of lesson, a Bible lesson, and then we summarize the two and pull the two together. We are teaching but we want the communicator about God's love and about our mission and our why our camp exists with their activity and then we summarize it and try to pull it all together to make a connection.”

The testimony further shows that RVR serves several district groups: (i) those attending RVR as campers, (ii) those working in the Discipleship program as counselors or groundskeepers, (iii) those enrolled in the 12 month Internship programs, (iv) those attending the rodeos or other events appeal to be incidental to its primary use. Petitioner contends that all of these groups constitute RVR's congregation, although category (iv) may be less regularly involved in the program. The other three groups are intensely involved: a one-week camper will go to 15-20 formal church services, and he or she will be in a structured religious training program all of the rest of the day. The workers in the Discipleship program attend over 100 formal services at RVR each year. Those in the Internship program extend this intensity over an even longer period.

Jon Bisset suggests that:

"There are probably more services that occur at River Valley Ranch in nine weeks than any church does in 52 weeks of the year. That's what we are about. We have hundreds of services if you want to pick them off and add them up. We have more services than 95 out of 100 churches that you could go and survey if you are going to count the number of times that we actually, formally minister to these people."

The Court further finds that RVR meets the conventional, dictionary definitions of a church, a congregation, a parsonage and a minister.

The Court also finds that there are three ministers at RVR with specific congregations who live in parsonages:

- Michael Czaja who is head minister of the Adventure and X-Camps. He lives in a house owned by RVR known as the Brown 3-story House.
- Josh Ray who is head minister of Classid Camp. He lives in a house owned by RVR known as 4446 Grave Run Road.

- John Zigenfuse who is head minister for the internship program, the Discipleship program and serves as director of programming. He lives in a house owned by RVR known as 4443R Grave Run Road.

Additionally, Dave Gerlach who runs and teaches the Gospel lessons at the Saturday rodeo. He lives in a house owned by RVR. Rev. Shive testified that the rodeo is a church service. The houses occupied by the three ministers with specific congregations (Czaja, Ray, Zigenfuse) and Gerlach's house constitute parsonages. The residence occupied by the Petitioner's Nurse is not a parsonage and therefore not exempt. However, the two dwellings occupied by Gilbert Miller and the widow of Reverend Osborne are not parsonages but are not properly before the Court for consideration.

The Court finds that all of the 502 acres is actually used exclusively for public worship and/or religious education. (See map.) It is important to note that the map only shows the trails and camp activity sites, according to the testimony. Jon Bisset testified:

"The Petitioner did not include in this map areas where we go over of the specific trail. For example we have a camp this summer called Extreme Trail Riding which basically involves trail blazing. Teaching the kids how to make your own trail, go through the woods and find your own trail. Those areas are not showed on there because I (would have) colored the whole this in. We also have a camp called Scout Camp this summer. Which is sort of designed around a Boy Scout concept, for kids that are taught how to meander through areas that are not organized or specific trails to do camp outs and things like that in undeveloped areas. And those are also not listed on here because once again it would be covering a lot of section of areas. So the lines are just specified trails.

"We contend that all of it is used. The property as a whole and as you can see there are some areas that are clear, there are some areas that are wooded. The areas that are usable and rideable we use virtually all of it.

The old and new statutory language required that the property be “used exclusively” for public worship, etc. The Court of appeals has long held that the “exclusively” portion of the statute does not literally mean that any non-function use of a property terminates the exemption. The Court of appeals has consistently interpreted “used exclusively” as meaning primarily used for religious purposes. The testimony here established that RVR is used exclusively for public worship and/or religious education. There was no evidence of any other use except of a nominal or minimal nature.

In addition to the term “actually” in the new statute was the basis of the Court’s holding in Supervisor v. Bosley Methodist Church Graveyard, 293 Md. 208 (1982). The Court of appeals held that the caretaker’s house was an ancillary use, which was neither for “public religious worship” nor for “burial of dead persons” nor, presumably, for any of the other exempt uses. The caretaker’s house was “necessary” to maintain admittedly exempt property but it itself was not exempt because his house was a strictly secular use. Thus under the old law, a caretaker’s house would be exempt as it was necessary for the maintenance of the exempt property.

Under the “new” statute, the Court of Appeals looked at whether the setting (open-space) surrounding a church is “actually used.” In Supervisor v. Cardinal Keeler, 362 Md. 198 (2001), the Court held that a 27 acre church parcel needed to be viewed as a whole (“an entire package or fabric”): “A church is more than four walls built of stone, marble or concrete.”

The evidence is convincing that RVR is actually using substantially all of its property exclusively for public worship and/or religious education purposes. The Court

concludes that RVR is entitled to be tax exempt under Section 7-204 for all of its property except the property occupied by its Nurse.