

VIII. Rental of Parish Rectories

Pastors and parochial vicars who are appointed according to Canon Law, and any other person or persons, e.g. pastoral administrators, appointed according to Canon 517(2) are, by virtue of their appointment, authorized to (and per Canon 533, may be obliged to) reside (domicile) in the parochial house (parish rectory). All other individuals must receive prior approval in writing from either the Bishop or the Moderator of the Curia. This includes but is not limited to those who rent, lease or otherwise compensate the parish for residence in the rectory for any period of time.

Annotation

M.S.A § 272.02(5) exempts from real estate taxation "All churches, church property, and houses of worship." The Minnesota courts have interpreted the "church property" to include residential property determined to be reasonably necessary and appropriate for accomplishment of church objectives. In re Collection of Delinquent Real Property Taxes. State of Minnesota v. American Fundamentalist Church, 200 N.W.2d 530 (1995). Residences occupied by priests or residences occupied rent free by custodial staff located in close proximity to the church have been included in the interpretation of "church property." Victory Lutheran Church v. County of Hennepin, 373 N.W.2d 279 (Minn 1985); State v. Board of Foreign Missions of Augustana Synod, 22 N.W.2d 642 (1946). However, rental of a residence by a church to others with use of the rental income to support the church has been held by the Minnesota court not to qualify as exempt church property. State v. Second Church of Christ, 185 Minn. 242, 240 N.W. 532.

Rental of real property is not unrelated business income, IRC 512(b)(3)(A)(i).

Rental agreements are available at the Chancery office.

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