

# Review Board Grants Partial Exemption for Anabaptist Event Center

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A convention center that primarily offered event space for members of the Anabaptist community qualified for a partial property tax exemption, the Indiana Board of Tax Review ruled.

In a September 27 final determination in [Claywood Event Center Inc. v. Kosciusko County Assessor](#), a two-member panel of the board granted the center a religious and charitable purposes tax exemption for 86 percent of its real and personal property — but not for the underlying land — for tax year 2020.

“We find that Claywood proved, if only barely, that the real property improvements and personal property are entitled to an 86 percent exemption,” the board said.

Claywood Event Center Inc. is a [501\(c\)\(3\)](#) nonprofit entity that serves the Anabaptist community — members of Amish and Mennonite religious groups — by providing space when religious schools and churches are too small for social events and fundraisers. It also rents space for groups such as gun and model railroad clubs. The 23,000-square-foot event hall sits on land owned by a trust and leased to Claywood for free, although Claywood is responsible for the land’s property taxes. Claywood owns the event center’s personal property and structures, which include horse and buggy parking facilities.

After the Kosciusko County Property Tax Board of Appeals denied Claywood’s real and personal property tax exemption application for tax year 2020, it petitioned the Board of Tax Review, arguing that 100 percent of its structures and personal property, as well as the underlying land, should be exempt from property tax.

The county assessor responded that Claywood could not apply for an exemption for the land because the trust, and not Claywood, was the legal title holder. The assessor also argued that the land, structures, and personal property were not being used in an exempt manner.

The Board of Tax Review partly agreed with the assessor, finding under Ind. Code section 6-1.1-11-3 that the owner of the land needed to file the exemption application itself, or execute a power of attorney to delegate someone to do so, neither of which the trust had done. Claywood’s treasurer had filed and signed a single exemption application for the land, structures, and personal property. The board conceded that while its holding could be seen as elevating form over substance, it maintained that “it is what the statute requires.”

The board also partly agreed with Claywood. The board found that the structures and personal property had indeed been used for charitable and religious purposes and that it had “little trouble finding that the fundraisers [Claywood] hosted for Amish churches and schools qualify as charitable

uses,” but it determined that Claywood did not qualify for a 100 percent exemption.

‘We find that Claywood proved, if only barely, that the real property improvements and personal property are entitled to an 86 percent exemption,’ the board said.

Claywood’s records had failed to show that more than 50 percent of the facility’s use had been by “a church, religious society, or nonprofit school,” the board said. It allowed an 86 percent exemption, based on its own calculation of the number of different events that had taken place and how they were categorized.

The board noted that “Claywood offered largely generic descriptions of how it used the facility and failed to offer even general records of the events it hosted.” It cautioned similarly situated groups that they “should not simply assume that because they were formed for charitable or religious purposes, everything they use their property for will automatically qualify as an exempt use.”

“In finding that ‘Claywood proved, if only barely,’ that the real property improvements and personal property are entitled to an 86 percent exemption, the board appears to be commenting on Claywood’s proof, and not the strength of its position,” Mark Loyd of Dentons told *Tax Notes* in an October 19 email. “That Claywood was only able to offer generic descriptions of how the facility was used and records of events is unsurprising, given that it was formed for a tax-exempt purpose and used the property consistently for such purpose.”

“Claywood may have reasonably anticipated that the availability of the exemption to it would not be scrutinized or challenged,” Loyd added.

Claywood’s treasurer and the Kosciusko County assessor’s office did not respond to requests for comment by press time.

The taxpayer in *Claywood Event Center Inc. v. Kosciusko County Assessor* (Petition No. 43-020-20-2-8-00518-20 and Petition No. 43-020-20-2-8-00519-20) was represented by Stephen F. Snyder.