

The New Jersey Supreme Court on Wednesday said it's OK for a Passaic church to claim a property tax exemption, even though its building had not been granted a certificate of occupancy.

The 7-0 ruling, which has been closely watched by religious organizations across the state, allows the Christian Mission John 3:16 Church on Madison Street to claim a tax exemption on an adjacent soda warehouse it bought in 2009 and renovated in 2012.

The church used the warehouse for storage, ceremonies and meetings, which it claimed fulfilled its religious purpose, but the city refused to grant the exemption without a certificate of occupancy.



Outside of the Christian Mission John 3:16 Assembly of God on Madison Street in Passaic. PHOTO BY MATT FAGAN

Justice Lee A. Solomon, writing for the court, said the church was using the building to fulfill its religious mission and serve the greater public good and therefore deserved the exemption.

"The issuance of a certificate of occupancy, temporary or final, does not establish a bright line that must be crossed before a tax exemption is granted," Solomon wrote. In legal terms, a "bright line" is a rule that offers little or no room for interpretation.

The pastor, the Rev. Francisco Joissim, was overjoyed with the ruling.

"Thank God, thank God we live in a just nation of laws," he said. "We are very happy and excited with the decision."

With its ruling, the Supreme Court sent the case back to the Passaic County Tax Court to exempt the property, which was assessed at \$213,000 in 2013.

The case was important not only to the 350 congregants of the Christian Mission church. Tax exemptions are important to just about every religious organization — but they can be a thorny issue with municipal officials who need to balance the budget.

In some municipalities, particularly poor cities such as Passaic and Paterson, religious organizations have expanded dramatically, buying homes, storefronts and lots that were once on the tax rolls.

In the city of Passaic, which is just 3 square miles, there are 185 properties owned by religious organizations and nonprofits, all tax-exempt. The total assessed value of those properties is \$174.8 million, according to the Passaic Tax Assessors office.

Passaic Mayor Hector Lora, who is also a minister, said the city is stuck between a rock and a hard place. It needs the tax revenue, but it also recognizes that religious organizations provide valuable social services.

"We have an obligation to challenge every exemption," Lora said. "That's our responsibility."

Lora said he knows Joissim and says the church is a real benefit for the community.

"It becomes more apparent in times like this pandemic the value of these churches," Lora said.

The ruling also shed light on another thorny issue in the endless balancing act between church and state. Religious organizations have been deemed to serve the public good, but there are many religions, and their services aren't open to everyone.

Churches, synagogues and mosques don't have to open their doors to everyone, the court opined. Joissim certified to the court that the warehouse was used for storage "at all times" and that he held daily prayer services with volunteers during construction, which, unlike Sunday services, were not open to the general public.

Solomon wrote that the "public good served in exchange for a tax exemption does not demand that the facility or services rendered by the exempt institution be available to the general public." Instead, he wrote, the public good may be satisfied "even where services are offered only to a limited group, such as members of a congregation."

Tova Lutz, the Passaic attorney who argued the case on behalf of the Christian Mission church, said the case is a victory for religious freedom. She was joined by the Yale Law School Free Exercise Clinic, which filed an amicus brief on behalf of a diverse group of religious organizations, including

the Union of Orthodox Jewish Congregations, the Church of Latter-Day Saints and the General Councils of the Assemblies of God (USA).

"Most significantly, the court made clear that a religious exemption does not require the facility in question be open to the public, thereby protecting congregations who may have restricted association practices or are not open to the public or individuals outside of their religion," Lutz said. "In addition, municipalities now cannot deny an otherwise qualified religious tax exemption on the basis of a facility's lack of a certificate of occupancy."