

Instructions for use of the License template

When you send the completed template to the Diocesan Support Center, please send in WORD format. It is easier (and cheaper) for the attorney to review the agreement in WORD versus PDF.

As a general rule, the license is just a template – it’s what the Diocesan attorneys have determined is “best case scenario” with respect to what they recommend in the Diocese’s (and by extension the church’s) best interest.

We recognize that it is not “one size fits all.” You always have the discretion to modify the form using “Special Terms and Conditions” (section 1.j.) however you deem appropriate, whether that be adding language so that it converts to a month-to-month, or lessening the insurance requirements.

We strongly discourage making changes to the body of the form itself. If changes are addressed under “Special Terms and Conditions” (or the appropriate Appendix) – it lessens the attorney’s review time and keeps legal fees down.

We discourage “wrapping in” the GET to the license fee. When the GET is included in the fee, the Church is then responsible for the GET on the amount of the License fee which purports to include the GET payment, rather than on the fee without the GET included. When the GET is broken out (i.e., the way it is drafted in the template), the GET payment made by the tenant is a “pass through” payment that the Church uses to pay its GET.

Regarding the real property taxes section of the template

There are certain uses which may entitle a parcel of real property or portion thereof to an exemption from real property taxes. For your reference, a complete list of all RPT Exemptions is set forth in ROH, Section 8, Article 10.

The Church currently claims RPT exemptions at its properties under Charitable Purposes (it’s the exemption for non-profits). However, if any portion of a property is not being used exclusively for the non-profit purpose that entitles a claimant to a real property tax exemption, then that portion is not entitled to the exemption. For example, if a room in a church that would otherwise be entirely exempt from the payment of real property taxes is licensed out for a non-exempt purpose (e.g., a commercial purpose) for any period of time (e.g., 5 hours a few days a week), that room is no longer eligible for the real property tax exemption and technically should be assessed for real property taxes.

While this may seem insignificant on a case-by-case basis, we have been advised by the real property tax office that if at any point an exemption is improperly being used (e.g., in the above scenario, the exemption would not apply to a room that is not being used for RPT-exempt purposes), the entire property is at risk for losing its exempt status.

Obviously this could have a huge impact on the Church’s operations. Thus, we cannot take it out of the template – additionally, while we absolutely commiserate that it’s a huge headache to

calculate, it's a regulation from the City, and we cannot recommend waiving it. However, this paragraph only applies if and to the extent real property taxes should be paid; hopefully most of the Church's tenants are non-profit/charitable organizations.