

# Assessor Manuals, Exemption Administration

## Instructions to assessors: Application for real property tax exemption—Property used as residence of officiating clergyman of religious organization

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### 1. General information

Section 462 of the Real Property Tax Law authorizes an exemption from real property taxation for property owned by a religious organization while the property is actually being used by the officiating clergyman of that organization for residential purposes.

Even though the owner of such property may be a religious body whose organizational purposes and activities make it eligible for exemption under section 420-a of the Real Property Tax Law, the taxable status of the property is governed by Section 462 of that law, not by section 420-a. Residential property use is not necessarily a religious use for the purposes of section 420-a. Thus, only those portions of a religious organization's property which can be shown to have an actual and exclusive religious use (such as the holding of worship services) are eligible for exemption under section 420-a. If a parcel containing a clergyman's residence also contains a facility having an exclusive religious use, such as a church building, both sections 420-a and 462 apply to the parcel, and exemption of the church part and the residence part must be determined separately.

Exemption under section 462 must be applied for annually. The initial application for exemption must be made by means of Forms RP-462 and RP-420-a-Org; renewal of exemption should be applied for using Forms RP-462 and RP-420-a/b-Rnw-I.<sup>1</sup> **A renewal application may be used only after exemption has been granted on the basis of application Forms RP462 and RP-420-a-Org.**

The purpose of Form RP-462 and the RP-420-a form that must accompany it is to provide information that the assessor needs to make a determination of taxable status. However, the forms are **not** meant to limit further inquiry by the assessor. Where he finds it necessary, the assessor SHOULD seek additional information from the applicant.

If an organization's application for exemption under section 420-a is denied on the basis of Form RP-420-a-Org or Form RP-420-a/b-Rnw-I, any application by the organization for exemption under section 462 must also be denied. Conditions of property use reported in Form RP-462 that are justifiable grounds for denying exemption or renewal of exemption are described below in the discussion of that form. **Note, however, that renewal of exemption under Section 462 may be denied even if no organizational or property use change has occurred since application for exemption was last filed.** Continuation of exemption may be denied on the basis of the renewal application (and any additional documentation that the assessor may request) **if the assessor determines that the property was in fact not entitled to exemption the previous year but was erroneously granted the exemption.**

## 2. Filing by applicant

All organizations seeking exemption pursuant to section 462 must submit information on organization purpose, property use, and, if necessary, additional information. In the first year in which application forms were required to be filed in the assessor's office (1979 in most assessing units), **all** organizations seeking exemption pursuant to section 462 (including those organizations previously exempt) must have filed the initial application forms in use then Forms RP-462, RP-420-Org, and perhaps Schedule A, Form RP-420-a/b-Org.

Thereafter, any property owner seeking exemption pursuant to this section for the first time must file the current initial application forms. A two-part application must be filed in each assessing unit in which exemption is sought: (1) Form RP-462 and (2) Form RP-420-a-Org (plus Schedule A, RP-420-a/b-Org, if required). One copy of Form RP-420-a-Org must be filed in each assessing unit. One copy of Form RP-462 must be filed in each assessing unit for each separately assessed parcel of property for which exemption is sought. Each year following the year in which exemption is first granted on the basis of the initial application, the owner must file a renewal two-part application, using the following: (1) Form RP-462 and (2) Form RP-420-a/b-Rnw-I (plus Schedule A, RP-420-a/b-Rnw-I, if required).

In those villages which have opted to use the town or county assessment roll pursuant to section 1402(2) of the Real Property Tax Law, one copy of Form RP-420-a/b-Vlg may be submitted in lieu of Form RP-420-a-Org or Form RP-420-a/b-Rnw-I. The application should be completed and filed by someone authorized by the organization to do so.

If a clergyman's residence is located on a parcel that also contains a church building or some other facility having an exclusive religious use, both sections 420-a and 462 of the Real Property Tax Law apply to the parcel, and two forms describing property use must be filed: Form RP-420-a/b-Use (or, if renewal application, RP-420-a/b-Rnw-II) for the part of the parcel occupied by the church building and Form RP-462 for the part occupied by the residence.

The assessor should mail the required forms to all applicants well in advance of the taxable status date. The assessor should enter the parcel location and assessment roll information on the forms **before** mailing them.

Each organization should submit the completed forms to the assessor on or before the taxable status date. If an organization fails to submit the required forms by that time, the assessor should contact the organization and remind it of the necessity to file the forms. If the organization refuses or fails to do so, the assessor should enter the property as taxable on the tentative assessment roll. The organization may then seek exemption from the board of assessment review or the courts.

### 3. Form RP-462 (initial application)

#### Resident of the Property

##### (Questions 1b, 5, and 6)

Questions 1b, 5, and 6 are intended to provide evidence showing that the resident of the property is in fact the kind of occupant that qualifies the property for exemption under section 462. If the resident, the person named in Question 1b, has not had formal training as a clergyman and has not been formally ordained, the assessor should ask the applicant organization to furnish some proof that it has authorized this person to be its officiating clergyman. If the assessor determines that the resident has not been so authorized, he should deny exemption of the residence. If, however, the resident is someone whose continuous presence on the premises is essential to the religious purposes of the organization (that is, a fulltime **caretaker**), exemption may be granted under section **420-a**.

##### Case 1: Ineligible resident

Resident is **not** an officiating clergyman and **not** a person whose fulltime presence on the premises is essential to the organization's religious purposes.

##### Assessor action:

Deny exemption.

##### Case 2: Resident eligible under Section 420-a

Resident is **not** an officiating clergyman **but is** a person whose fulltime presence on the premises is essential to the organization's religious purposes.

##### Assessor action:

Grant exemption under section 420-a.

#### Other property owned by organization

Case law holds that ownership of property exempt under section 420-a is not a mandatory prerequisite for exemption under section 462. That is, the residence of an officiating clergyman of a religious organization is eligible for exemption under 462 even though the religious services of the organization are conducted in a structure owned by another organization.

### 4. Form RP-462 (renewal application)

#### Resident of the property

##### (Questions 1b, 5, and 6)

**Case 3: Ineligible resident**

Resident is **not** an officiating clergyman and **not** a person whose fulltime presence on the premises is essential to the organization's religious purposes.

**Assessor action:**

Deny renewal of exemption.

**Case 4: Resident eligible under Section 420-a**

Resident is **not** an officiating clergyman **but is** a person whose fulltime presence on the premises is essential to the organization's religious purposes.

**Assessor Action:**

Renew exemption under section 420-a.

**Other property owned by organization**

**(Question 4) See Question 4 under Initial Application above.**

**5. Denial of exemption renewal with no change reported by applicant****Case 5: Corrected status**

All or part of the parcel was in fact not entitled to exemption the previous year but was erroneously granted exemption.

**Assessor action:**

Deny renewal of exemption for that portion of the parcel involved.

**Case 6: Failure to file**

The organization failed to file the required renewal application forms in time for preparation of the tentative assessment roll.

**Assessor Action:**

Deny renewal of exemption for all parcels involved.

**6. Forms**

[RP-462](#)

[RP-420-a-Org](#)

[Schedule A \(RP-420-a/b-Org\)](#)

[RP-420-a/b-Rnw-I](#)

Schedule A (RP-420-a/b-Rnw-I)RP-420-a/b-Vlg

For guidance in processing Form RP-420-a-Org, see [Instructions to Assessors, Application for Real Property Tax Exemptions for Nonprofit Organizations](#). For a discussion of Form RP-420-a/b-Rnw-I, see [Instructions to Assessors, Renewal Application for Real Property Tax Exemption for Nonprofit Organizations](#).

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Page last reviewed or updated: March 14, 2022