Parish Real Estate

A. The real property of the parish constitutes a substantial portion of its assets. Therefore, maintaining the value of the real property should be a high priority. Acquisition of additional property may be considered where it appears necessary to service the current and future needs of the parish community. In cases where a building or land is no longer needed for parish purposes, a plan should be developed to deal with this change of circumstances.

B. The pastor or administrator is expected to consult with the Finance Council on all real estate transactions, including purchases, sales, rentals and leases. Pastors must obtain the written permission of the Bishop to alienate real property or to enter into contracts or agreements which otherwise encumber real property. Alienation includes a change of ownership by means of a sale, transfer, barter or donation as well as a lease agreement, demolition or razing of a building, or the granting of an easement or right-of-way. Property transactions involving alienation of $250,000 or more also require the approval of the Diocesan Finance Council and the College of Consultors. The current limit requiring the additional consent of the Holy See is $3,500,000. All applicable diocesan regulations and policies are to be observed in transactions involving parish real estate.

C. While the Bishop is to sign the deed for the sale of parish real estate, the pastor as Trust Administrator of the Parish Charitable Trust may sign other documents pertaining to parish real estate matters provided that the Bishop has given him written authorization to do so.

D. Should legal counsel be required in order to process transactions involving the real property of the parish, it shall be the responsibility of the parish to engage its own attorney for this purpose. Deeds for the sale of parish property are also to be reviewed by the diocesan attorney prior to their being presented to the Bishop for his signature.

E. Parish facilities may be rented or provided without charge to individuals, groups, or organizations for non-parish functions. If such usage is to be on an occasional basis, the decision to do so falls within the authority of the pastor, assuming that all applicable diocesan norms are observed. If the rental or lease arrangement is to be ongoing or long-term in nature, the pastor must obtain the permission of the diocesan bishop before entering into a lease agreement. A Certificate of Insurance is to be obtained on an annual basis from all tenants for the parish files. The insurance is to name the parish, the parish charitable trust, the Diocese of Erie, and the Bishop of Erie and as additional insureds. This requirement is to be included in the written lease agreement between the parish and the tenant.

F. The usage of parish property or facilities by any individual or group for any function or purpose which is contrary to the teachings and mission of the Catholic Church is strictly forbidden.

G. Real property which is used for religious, educational, or charitable purposes is exempt from local property and school taxes. Under Pennsylvania law, rectories are generally considered as taxable. Also, parish rental property may be subject to taxation even if the tenant may be using it for a charitable purpose. Newly acquired parish property is not automatically tax-exempt. Application for tax-exempt status must be filed with the appropriate county board or agency.