IN THE IOWA DISTRICT COURT FOR POLK COUNTY

THE FAMILY LEADER FOUNDATION, INC., **Plaintiff,** **v.** **POLK COUNTY BOARD OF REVIEW,** **Defendant.**	**Case No.: EQCE090220** **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RULING ON PLAINTIFF'S ASSESSMENT APPEAL**

This matter came before the Court for trial on December 15 and 16, 2025. At trial, Plaintiff appeared by its attorneys Alan Ostergren and Ryan Benn, and Defendant appeared by Assistant Polk County Attorneys Jason Wittgraf and Annie Reynolds. The parties submitted post-trial briefs, and Plaintiff filed a notice of additional authority on June 8, 2026.

Having considered the evidence, the arguments of counsel, and the applicable law, the Court finds and concludes as follows.

I. INTRODUCTION

Plaintiff, The Family Leader Foundation, Inc., appeals the decision of Defendant, the Polk County Board of Review, affirming the Polk County Assessor's denial of a property tax exemption for property located at 5179 NE 94th Avenue in Bondurant, Polk County, Iowa, for the January 1, 2024 assessment. Plaintiff claims the property qualifies for exemption under Iowa Code section 427.1(8) as property of a religious and charitable society. Plaintiff further claims that the denial of the exemption violated the Iowa Religious Freedom Restoration Act, Iowa

III. FINDINGS OF FACT

A. The Parties and the Property

Plaintiff, The Family Leader Foundation, Inc., formerly known as the Iowa Family Policy Center, was incorporated in 1996 as an Iowa nonprofit corporation. Tr. Day 1 59:11–22; 154:22–

24. Its articles of incorporation state that the corporation is organized exclusively for the purpose of carrying on charitable and educational activities within the meaning of section 501(c)(3) of the Internal Revenue Code. Tr. Day 1 59:23–60:7; Ex. 7. The articles further provide that the activities of the corporation shall include identifying, developing, and supporting public policies that will ensure the preservation and strengthening of traditional Judeo-Christian family values. Tr. Day 1 63:15–25. Plaintiff is recognized by the Internal Revenue Service as a 501(c)(3) tax exempt organization. Tr. Day 1 107:22–108:2; Tr. Day 2 30:12–15; Ex. 11.

The subject property is located at 5179 NE 94th Avenue in Bondurant, Polk County, Iowa. It consists of 20.45 acres split from a 79 acre parcel owned by the Geisler family, who had used the land for a pumpkin patch and agritourism operation. Tr. Day 1 77:14–24; 83:20–24; Tr. Day 2 59:10–17. At the time of acquisition the property was improved with a red shed, a white barn, and a hoop barn. Tr. Day 1 77:19–20. Plaintiff purchased the property in April 2023 for $2,000,000. Tr. Day 2 65:9–11; 118:2–5. Plaintiff refers to the project as the "Fields of Harvest." Tr. Day 1 76:11–77:1.

B. Plaintiff's Organization and Activities

Plaintiff operates as a Christian ministry. Tr. Day 1 19:5–6. Every employee must agree to, believe, and practice the National Association of Evangelicals' Statement of Faith, which is incorporated into Plaintiff's personnel policies. Tr. Day 1 17:12–15; 18:17–19:3; 110:17–21; Exs. 5, 6. Angie Long, Plaintiff's chief operating officer, testified that prospective employees are asked for their testimony of faith during the interview process and that it is imperative that employees profess to be Christians. Tr. Day 1 109:19–110:2; 110:19–21.

Plaintiff's signature program is the Church Ambassador Network, founded in 2014, which today works with approximately 2,200 Evangelical churches across Iowa and connects pastors with leaders of the three branches of state government. Tr. Day 1 15:2–9; 19:11–16. Greg Baker, the network's founding director and Plaintiff's vice president, described its three goals: a chaplaincy role ministering to government leaders as people, a shepherding role pouring the teachings of the Bible into those leaders, and a partnering role connecting the church and the State to meet community needs. Tr. Day 1 19:17–20:5. Baker testified that the network has connected pastors to government leaders 10,500 times. Tr. Day 1 21:1–3. During the legislative session Plaintiff's team is at the Capitol every day, and every meeting starts in the Word and ends in prayer. Tr. Day 1 21:16–25.

The partnering side of the ministry has produced concrete programs. After the Governor identified prevention of foster care as a burden during a meeting with pastors, Plaintiff's efforts, working through successive directors of the Department of Health and Human Services, led to the founding of Together for Good, a separate 501(c)(3) ministry started by thirty six churches in Plaintiff's network that today serves 400 at risk families in central Iowa with wraparound care such as temporary hosting of children, respite babysitting, and advocates for mothers in crisis. Tr. Day 1 22:4–22; 48:14–49:8. Plaintiff brought pastors with prison and jail ministry experience to two successive Iowa Attorneys General and has worked for six years on criminal justice reentry legislation, particularly access to driver's licenses and restructured fine repayment for persons leaving the correctional system. Tr. Day 1 22:23–23:21. During the COVID-19 pandemic, Plaintiff's Church Ambassador Network team worked with the Food Bank of Iowa to relocate food pantries from closed public schools into churches, identifying churches in over sixty counties, including moving a food bank into Reach Church on Merle Hay Road in Des Moines. Tr. Day 1 62:10–18; 66:10–25. Plaintiff also operates the If 7:14 prayer app, which since approximately 2014 has sent a push notification twice daily, at 7:14 a.m. and 7:14 p.m., calling users to prayer with an accompanying devotion. Tr. Day 1 33:17–25.

The ministry is nonpartisan. Baker testified that Plaintiff ministers to “whomever God puts in office,” averages engagement with eighty five percent of legislators in both parties. Tr. Day 1 24:15–19; 25:13–19. Government leaders are not required to sign the statement of faith; only those doing the outreach must agree to it. Tr. Day 1 25:20–26:4. Plaintiff produces white papers presenting what the Bible says on subjects such as criminal justice, education, and poverty, and asks for support of specific legislation only about five percent of the time. Tr. Day 1 26:12–25. Plaintiff has replicated the Church Ambassador Network, under the name The Daniel Impact, in twenty states through a network of forty two sister Family Policy Council organizations affiliated with Focus on the Family, and Baker personally coaches and mentors the leaders implementing the model in other states. Tr. Day 1 27:4–18; 44:16–24.

Charles Hurley, Plaintiff's vice president and chief counsel and a twenty seven year veteran of the organization, testified that Plaintiff is one hundred percent religious, Christian Orthodox religious, to its core. Tr. Day 1 154:13–16; 162:14–17. The organization prays every day as a team. Hurley has led a weekly prayer meeting at the State Capitol for thirty five years and has led the weekly legislative session Bible study dozens of times. Tr. Day 1 162:24–163:3. He described the organization's members as missionaries in a spiritual sense whose first concern is whether people know the Lord Jesus Christ. Tr. Day 1 163:11–18. When asked on cross examination to choose between the labels charitable and religious, Hurley answered that Plaintiff is primarily religious because that is where it gets its charitable motivation. Tr. Day 1 185:4–10.

Plaintiff admits it is not a church. It has no membership, no elders, no congregation, and no place of worship, and it identifies with no specific denomination but rather the broad

Evangelical tradition. Tr. Day 1 56:8–18. Baker and Hurley each described Plaintiff as a parachurch organization that serves and works alongside churches, and Baker affirmed that Plaintiff is a religious organization, particularly Christian. Tr. Day 1 55:22–56:7; 185:24–186:3.

C. Plaintiff's Finances and the Out-of-State Grants

Private donors fund ninety percent or better of Plaintiff's activities, with event sponsorships making up the remaining five to ten percent. Tr. Day 1 108:14–109:2. Plaintiff's annual contribution revenue during the years in evidence ranged from approximately $3.9 million to $7.1 million. Tr. Day 1 133:5–16; 134:6–14; 137:16–22. No Family Leader funds are used to benefit private individuals, and excess revenue from events returns to the 501(c)(3). Tr. Day 1 109:3–9. The accounting firm Tarbell & Associates audits Plaintiff annually, verifies compliance, confirms the payroll allocation between the related entities, prepares the IRS Form 990 filings, and reports to the board. Tr. Day 1 107:8–18; 108:6–13.

Defendant developed at length on cross examination that Plaintiff's Form 990 filings for 2021 through 2023 disclose grants exceeding $5,000, totaling over $2.5 million across the three years, all paid to out of state organizations in states including Florida, Minnesota, New Hampshire, Wisconsin, Indiana, Pennsylvania, Arizona, Maine, Texas, Ohio, Alaska, Delaware, Georgia, Kansas, and Virginia. Tr. Day 1 130:10–131:24; 132:8–133:2; 142:11–17. Long explained that these are The Daniel Impact grants to Plaintiff's sister Family Policy Alliance organizations, all 501(c)(3) entities, that operate the Church Ambassador Network model in other states. Tr. Day 1 149:1–17. Plaintiff sends no comparable grant money within Iowa because Plaintiff itself is Iowa's family policy organization and operates the Iowa network with its own donations and funding. Tr. Day 1 149:18–150:6. Vander Plaats testified that grant amounts turn on each state's need, capacity, and results, that recipient states such as Florida must raise matching funds that stay in that state, and that roughly half of Plaintiff's donations come from national donors and half from Iowa donors, including Iowans who give specifically to replicate the model elsewhere. Tr. Day 2 107:14–109:8; 110:10–21. Plaintiff makes smaller gifts within Polk County beneath the federal reporting threshold, including a $10,000 gift to Joshua Christian Academy and sponsorships of Together for Good in the range of $10,000 for three years. Tr. Day 1 54:13–15; 55:13–15; 141:9–142:6; Tr. Day 2 113:4–13.

The Assessor testified that where grant money goes is a consideration in his exemption decisions because removing property from the tax rolls requires the remaining property owners to pay more, so the benefit flowing from the organization should at least offset the inequity caused by the exemption. Tr. Day 2 31:24–32:7; 33:7–12. He acknowledged, however, that a charity whose charitable work is focused outside Polk County, and even outside Iowa, may still qualify for an Iowa property tax exemption, and the same is true of a religious organization serving people outside Polk County. Tr. Day 2 31:8–19. He could state no threshold for in state versus out of state activity, testifying that each case is decided on its own facts and that no guidance document or published regulation explains how the determination is made. Tr. Day 2 33:13–34:22.

D. Acquisition, Construction, and the Physical State of the Property

Nicholas Ludema, assistant to the president, oversees construction at the Fields of Harvest site and served as Plaintiff's point of contact for building permits. Tr. Day 1 76:3–12; 78:6–9. Polk County issued an electrical permit for the red shed on June 30, 2023, and work began shortly thereafter. Tr. Day 1 78:22–79:9; Ex. 15. The contractor remodeled the red shed: electrical work, replacement of an overhead garage door with storefront doors, window tinting, a new sound booth, painting, new ceiling tiles and lighting fixtures, a wood wrap on the beams, a new wall dividing the old kitchen, and preparation for the fire suppression system. Tr. Day 1 79:13–23. Because the buildings lacked sprinklers, Plaintiff purchased and installed a water tank and ran sprinkler piping through the buildings. Tr. Day 1 80:20–81:1. The contractor then performed site work, adjusting the septic system, grading the land, and paving the parking lot. Tr. Day 1 81:1–4. Architects were involved from the very beginning, helping with the purchase and the original vision, and by 2023 Plaintiff was holding weekly planning meetings, drawing site work plans and structural plans for a ministry center, with structural, mechanical, and plumbing engineers engaged. Tr. Day 1 86:1–17. That planning has continued through trial, though it has shifted toward building office space into the white barn rather than constructing a new ministry center immediately, a sequencing decision driven by Plaintiff's commitment to its donors to remain debt free and by pending zoning litigation brought by neighbors. Tr. Day 1 86:18–25; 193:16–25; Tr. Day 2 127:25–128:19.

The Court finds, as Defendant emphasized, that on January 1, 2024, the property remained in substantial part a construction site and that the campus depicted in the Fields of Harvest promotional materials did not yet exist. The planned ministry center, the Homestead Offices and Studio building, the back porch deck addition to the barn, and the silo prayer and contemplation tower called Shiloh had not been built. Tr. Day 1 80:5–13; 82:8–83:4. Baker confirmed that the depictions in Exhibit 13 are plans, that the facility's availability for ministry events is a future consideration, and that none of the activities he described had yet been conducted at the Bondurant site. Tr. Day 1 41:17–42:23. The interior remodel permit was extended in July 2024, with a new expiration of January 1, 2025, because the work was not complete, and Polk County did not issue the final certificate of occupancy until the fall of 2025. Tr. Day 1 88:16–23; 89:7–21. Under the terms of the permit and a Temporary Occupancy

Agreement with Polk County, no occupancy or use of the property was permitted, beyond a single approved event, until an engineered commercial site plan was approved and occupancy issued. Tr. Day 1 90:2–12.

Plaintiff has spent between five and six million dollars of Foundation funds on architects, engineers, and contractors since the purchase, and fifteen donations totaling just over four million dollars were given to Plaintiff specifically for the Fields of Harvest project as outright, unconditional gifts. Tr. Day 1 111:5–20; 144:18–24; Tr. Day 2 117:8–22. The intended use of the property is as Plaintiff's headquarters and ministry center: hosting national Church Ambassador Network trainings, pastoral education with ministries such as World Relief and Together for Good, Breaking Bondage Tour events connecting executive branch officials with pastors, gatherings of one hundred to three hundred pastors, social worker appreciation events, and offices for Plaintiff's ministries. Tr. Day 1 28:13–30:19; 31:15–33:16; 77:7–11. Baker testified Plaintiff intends to be generous with the property by making it available to partner ministries at no charge. Tr. Day 1 31:17–20; 32:13–18.

E. The Farming Arrangement and the Assessor's Pecuniary Profit Theory

Noah Wendt and A & W Farms farmed the Geisler land before Plaintiff's purchase and continued farming the remainder of the Geisler property afterward. Tr. Day 1 93:15–25. Plaintiff allowed the farmers to continue using the southern portion of the parcel, approximately twenty five percent of the property, through 2023, 2024, and most of 2025. Tr. Day 1 92:17–93:2; 100:12–17. In the most recent years the ground was in alfalfa that was mowed and baled for hay. Tr. Day 1 84:11–15; 93:4–8. There was no lease and no rent. Plaintiff received no share of any farming proceeds, and whatever profits A & W Farms made on the property it kept for itself. Tr. Day 1 85:12–14; 94:1–13.

Ludema explained that Plaintiff allowed the arrangement because there was no reason not to; had the field not been used as a hayfield, Plaintiff would have had to mow and maintain it, so the arrangement was cheaper and simpler. Tr. Day 1 85:2–9. Vander Plaats testified the decision was not a significant one. The farmer took the risk of losing the crop when construction reached that ground, Plaintiff avoided the cost of mowing, spraying, and keeping the vegetation down, and Plaintiff viewed the arrangement as a financial wash and as being a good neighbor, a relationship of value to Plaintiff's development of the site. Tr. Day 2 123:23–125:8. The arrangement ended in 2025 when the county required a perimeter row of trees, and that portion of the property will become walking trails and grass. Tr. Day 1 84:4–7; 84:16–24; 93:10–14.

The farming arrangement became a centerpiece of Defendant's case. The exemption application Long completed answered "no" to the question whether any portion of the property was rented, leased, or otherwise used with a view to pecuniary profit or for a commercial purpose; Long testified she answered only for Plaintiff's own use and had no knowledge of A & W Farms or the farming operation. Tr. Day 1 114:19–115:20. The Assessor testified that the answer was inaccurate because part of the property was being farmed by Wendt "for private gain," which in the Assessor's view meets the statutory definition of pecuniary profit. Tr. Day 2 66:7–18. He acknowledged he did not know about the farming when he made his recommendation to Defendant, but testified that it supports his recommendation now. Tr. Day 2 66:19–24. On redirect, however, the Assessor agreed that Plaintiff has made no money from letting the farmer cut hay, that Plaintiff derived no profit, monetary or otherwise, from the arrangement, and that no other kind of profit was at issue. Tr. Day 2 87:13–88:5.

F. Use of the Property as of January 1, 2024

As of January 1, 2024, Plaintiff had not occupied the property for day-to-day operations. Plaintiff's interrogatory answers state that as of January 1 Plaintiff made sporadic use of the property due to ongoing construction and renovations, and Plaintiff admitted in discovery that there was no use of the property on the day of January 1, 2024, and no regular use of the property at that time. Tr. Day 1 97:14–19; 99:19–24. Plaintiff held three gatherings on the property in 2023: an evening welcome reception with the Christian music group Selah for donors, event sponsors, and special guests on July 13 through 15, 2023, preceding Plaintiff's annual leadership summit, held under the one-time Temporary Occupancy Agreement; an employee and board member Christmas party in December 2023; and a board meeting in December 2023. Tr. Day 1 90:14–92:13; 97:9–98:7; Tr. Day 2 119:3–120:7. Plaintiff otherwise used the site to walk donors through the property, cast the vision, and raise funds while construction proceeded. Tr. Day 1 98:11–18. Aerial photography shows the property in substantially the same condition in 2023 and 2024, with the southern portion shaded consistent with the farming and with the reflection pond and parking expansion appearing by 2025. Tr. Day 1 95:22–96:16; Tr. Day 2 75:16–76:22. The Assessor drove by the property two or three times in 2024 and observed no activity, and the appraiser assigned to the parcel was told by Long that the permitted work in the red shed was cosmetic. Tr. Day 2 68:14–17; 69:5–13; 70:2–8.

G. Related Entities and Their Separation

The Family Leader umbrella includes Plaintiff, the 501(c)(3); The Family Leader, Inc., a 501(c)(4) social welfare organization; and a political action committee. All operated from rented office space at 3020 104th Street in Urbandale on January 1, 2024, and still did at trial. Tr. Day 1 40:18–41:5; 47:10–13; 169:5–8. Most employees are shared. The 501(c)(4) issues payroll, and the 501(c)(3) reimburses eighty-five percent, an allocation Long described as deliberately generous to the (c)(4) and which the annual independent audit reviews and approves. Tr. Day 1 103:17–104:18; 107:13–18. Six Texas-based employees work solely for the 501(c)(3) and are paid entirely by it. Tr. Day 1 103:22–24; 105:17–22. The boards of the two entities meet back-to-back on the same night in the same room, but with separate agendas, minutes, and adjournments. Tr. Day 2 5:5–20; 120:8–16.

Plaintiff made the Section 501(h) election years ago, establishing a bright-line lobbying expenditure test, and has never come close to the twenty percent ceiling. Tr. Day 1 165:16–166:25. Hurley, the organization's lawyer for its entire existence, testified that policy engagement and lobbying are paid with (c)(3) dollars as federal law permits, that the (c)(4) exists for campaign intervention, the support of or opposition to candidates, and that he polices the line in real time, including at board meetings. Tr. Day 1 167:18–168:25; 192:3–10; Tr. Day 2 6:1–10.

The trial record contains conflicting evidence about Plaintiff's plans for the related entities at the Bondurant property. The Fields of Harvest promotional materials describe the campus as the headquarters of The Family Leader, and Vander Plaats confirmed the plan was to house the entire operation there. Tr. Day 1 50:22–51:24; Tr. Day 2 121:11–16. The insurance policy covering the property from May 15, 2023, through May 15, 2024, names both the (c)(3) and the (c)(4) as insureds, although the Foundation was the purchasing entity. Tr. Day 1 142:18–143:11; Ex. CC. At the same time, the testimony of every witness asked about the subject was that campaign intervention activity will not occur at the property. Vander Plaats testified that the (c)(4) and the PAC may use the site only for (c)(3) purposes and that campaign and election intervention work would be conducted from temporary rented space, as a campaign would do, to keep a firewall around property owned by the (c)(3). Tr. Day 2 121:19–122:24. Hurley testified that he has toured several offices near the Capitol, has presented concrete proposals with numbers to the chief executive officer and the board, and is getting good signals that any nonqualifying (c)(4) activity will have separate space. Tr. Day 1 169:9–19. Long likewise expected that the (c)(4) will rent space closer to the Capitol once the move occurs. Tr. Day 1 143:6–8.

The Form 990 filings for 2021 through 2023 reported that Vander Plaats spent ninety-five percent of his time with, and received all compensation from, the 501(c)(4). Tr. Day 1 122:16–123:18. Long, the custodian of the books and records, testified those entries are backwards: Vander Plaats spends roughly thirty eight of forty hours per week on the (c)(3), consistent with the audited eighty five and fifteen percent allocation, and the entries likely reflect the mechanics of the (c)(4) bank account issuing payroll subject to (c)(3) reimbursement. Tr. Day 1 123:3–9; 123:17–124:25; 125:9–11. Vander Plaats confirmed the eighty-five and fifteen percent breakdown and testified that upon learning of the error, Tarbell & Associates acknowledged it and is amending the forms to the extent the Internal Revenue Service allows. Tr. Day 2 104:23–105:1; 116:9–22.

H. The Exemption Application, Denial, and Appeal

Long filed the exemption application with the Polk County Assessor on January 30, 2024, checking the box for property of religious, literary, and charitable societies and reciting Plaintiff's mission of inspiring the Church to engage Government for the advance of God's Kingdom and the strengthening of Family. Tr. Day 1 111:21–112:13; Ex. 1. The application stated the property was under construction but, as the Assessor noted, did not explain the proposed uses in detail. Tr. Day 2 27:7–28:16; 65:24–66:6. The Assessor denied the application by letter of March 29, 2024, stating that the property is not being used exclusively for religious or charitable purposes under Iowa Code section 427.1. Tr. Day 1 112:14–24; 119:24–120:1; Ex. 2. Long petitioned the Board of Review on April 29, 2024. Tr. Day 1 113:1–6; 116:5–6; Ex. 3. Defendant denied the protest, and its decision became final upon adjournment on June 18, 2024. Tr. Day 1 113:14–18; Ex. 4.

Randy Ripperger has served as Polk County Assessor since May 2014. Tr. Day 2 21:4–7. He described his office's process: taxation is the rule and exemption the exception, exemption statutes are strictly construed, any doubt as to taxable status results in taxation, the burden rests on the claimant, and use of the property rather than the organizational documents is the controlling factor. Tr. Day 2 24:10–26:25. His written remarks to Defendant stated that he denied the application believing that the use of the property did not meet the requirements for the charitable exemption or for the religious exemption and that he still had doubts. Tr. Day 2 86:4–21; Ex. D. Examined by the Court, the Assessor explained that he saw no charitable or religious use on January 1, 2024, only agricultural use, and that when in doubt he favors taxation. Tr. Day 2 45:21–46:11.

The Assessor does not regard Plaintiff's activities as qualifying uses. He testified that he does not view the Church Ambassador Network's work, connecting and encouraging pastors and linking congregations with people in need, as either a charitable or religious activity within the meaning of the exemption statutes, describing the work as laudable but not rising to the level of charity, and characterizing the hosting and partnering Baker described as organizing assistance while other organizations perform the actual charitable work. Tr. Day 2 36:2–37:25; 53:20–54:5; 61:1–7. He acknowledged the question would be worth revisiting in light of the trial testimony, but stood by the decision he made based on the documents provided at the time. Tr. Day 2 44:15–18. He testified that this case was the first time he or anyone in his office had encountered a 501(c)(3) with a 501(c)(4) affiliate, that he relied on the Form 990 reports showing the time and compensation allocations described above, and that Plaintiff produced no lease or other document depicting separation of the entities. Tr. Day 2 72:17–74:6; 80:1–4. He acknowledged that his office documented no analysis of the 990 time allocations in its records. Tr. Day 2 85:16–86:3. He further testified that, because the property remained classified as agricultural, the classification would need to change to commercial before even a partial exemption could be awarded. Tr. Day 2 80:14–20. He conceded that if he had uncovered evidence of actual religious use or tangible charitable use, he believes he would have granted at least a partial exemption, and his office is open to reconsidering Plaintiff's status in future years. Tr. Day 2 80:10–13; 81:1–3.

At all times relevant to the appeal, the property carried the agricultural classification it inherited from the Geisler parcel split. Tr. Day 2 59:10–19; 64:7–16. The total tax at issue for the 2024 assessment, based on an agricultural assessment of $140,730, is approximately $3,300, paid in two installments of roughly $1,650, the first of which Plaintiff paid in September 2025; a $2,000,000 commercial assessment would generate roughly $60,000 per year. Tr. Day 1 136:6–137:3; Tr. Day 2 64:17–65:19.

I. Comparison Properties

Plaintiff obtained records from the Assessor identifying properties granted religious and charitable exemptions. Exs. 16–21. The Central Region Open Bible Churches property at 1920 Bell Avenue holds a religious exemption although no church services occur there; it is a support facility serving other Open Bible churches. Tr. Day 1 174:15–175:19. The Iowa District Council of Assemblies of God property is likewise a support organization for congregations, providing training, leadership development, and materials. Tr. Day 1 178:1–10. The Community Foundation of Greater Des Moines holds a charitable exemption although its mission is making grants to other charitable organizations rather than direct charitable work. Tr. Day 1 178:11–179:3. Planned Parenthood of the Heartland Foundation held a one hundred percent charitable exemption through the 2024 assessment for an office property from which it administers medical centers and which it shares with its own 501(c)(4) affiliate under a lease; Hurley testified that the (c)(4)'s engagement with legislators is very similar, if not nearly identical, in type to Plaintiff's own advocacy work. Tr. Day 1 179:4–180:14; Tr. Day 2 42:13–43:25; 78:14–79:23. After this litigation prompted review, the Assessor reduced the Planned Parenthood exemption to fifty percent for 2025 and launched a multiyear review of the roughly seven to eight hundred parcels holding charitable other and religious other exemptions in Polk County. Tr. Day 2 43:1–10; 81:13–82:3. The Assessor testified he does not consider the comparison properties to be of like use because they are commercial-class properties in established use while the subject property was agricultural and not yet in use by Plaintiff. Tr. Day 2 77:4–20.

IV. CONCLUSIONS OF LAW

A. The Reserved Objections to Exhibits 16 Through 21 Are Overruled

At trial, the Court received Plaintiff's Exhibits 16 through 21 subject to Defendant's objections and reserved final ruling for this decision. Tr. Day 1 171:18–173:20; 176:13–24; 181:21–182:3. Defendant objected on foundation grounds, contending the exhibits should come in through the Assessor rather than Mr. Hurley, and on relevance grounds, contending that exemption decisions are made case by case and that the comparison properties are not like property. Tr. Day 1 172:18–173:3; 175:22–176:4; 177:3–9.

The objections are overruled and Exhibits 16 through 21 are admitted. The foundation concern resolved itself at trial. The Assessor testified that each exhibit consists of records generated by his office and kept in the ordinary course of business, and he answered questions about their content. Tr. Day 2 40:5–17; 41:8–42:12.

It should be noted that the evidence concerning other exempt properties in Polk County, Exhibits 16 through 21, is relevant to this statutory analysis only insofar as it illuminates how the terms of section 427.1(8) have been applied to comparable organizations; the Court considers that evidence for that limited purpose and draws no conclusion from it about any constitutional or statutory religious liberty claim.

B. Standard of Review and Principles of Construction

The Court hears this appeal in equity, determines anew all questions arising before the board of review that relate to the liability of the property to assessment, considers all of the evidence, and indulges no presumption as to the correctness of the assessment appealed from. Iowa Code § 441.38-39; *Friendship Haven, Inc. v. Webster Cnty. Bd. of Review*, 542 N.W.2d 837 (Iowa 1996); *Post-Newsweek Cable, Inc. v. Bd. of Review of Woodbury Cnty.*, 497 N.W.2d 810, 813 (Iowa 1993). Plaintiff bears the burden of demonstrating it is entitled to an exemption. *Care Initiatives v. Bd. of Rev.*, 500 N.W.2d 14, 16–17 (Iowa 1993).

The Assessor testified that his office begins from the premises that taxation is the rule, that exemption statutes must be strictly construed, and that any doubt as to taxable status results in taxation, and his written remarks to Defendant reflect that he denied the application while still having doubts. Tr. Day 2 24:10–26:25; 45:21–46:11; 86:13–21; Ex. D. Defendant's post-trial brief urged the same principles upon the Court. The Iowa Supreme Court has now rejected that approach. In *Chickasaw County Board of Review v. Property Assessment Appeal Board*, the Court rejected the principle that tax exemptions are construed strictly against the taxpayer and liberally in favor of the taxing body, finding that nothing in the Iowa Code instructs courts to review tax statutes in this way. *Chickasaw County Board of Review v. Property Assessment Appeal Board*, ___ N.W.3d ___, 2026 WL 1614082, at *6 (Iowa June 5, 2026). The Court held that it would construe tax statutes according to their ordinary meaning, applying the same principles of construction applied to any other statute, and overruled its prior cases to the extent they said otherwise. *Id.*

Chickasaw applies to this pending case. A judicial construction of a statute is an authoritative statement of what the statute meant before as well as after the decision of the case giving rise to that construction. *State ex rel. Miller v. Pace*, 677 N.W.2d 761, 772 (Iowa 2004). The Court therefore gives Iowa Code section 427.1(8) its ordinary and fair meaning, without a thumb on the scale for either taxation or exemption. The authority presented in Division IV of Defendant's post-trial brief, which rested on the strict construction principle, no longer controls, and the doubt that the Assessor resolved in favor of taxation is precisely the doubt this Court must now resolve through ordinary statutory interpretation on a fresh record.

C. Plaintiff Proved the Five Elements of Iowa Code Section 427.1(8)

A claimant for a property tax exemption under Iowa Code section 427.1(8) must prove five elements: (1) the property is used or under construction; (2) the property is used by a literary, scientific, charitable, benevolent, agricultural, or religious institution or society; (3) the property is less than 320 acres; (4) the property is not used for inappropriate objects; and (5) the property is not used with a view to pecuniary profit. Iowa Code § 427.1(8). Determining these questions anew, the Court addresses each element in turn.

1. The property was in use because it was under construction.

Property under construction for an exempt use qualifies for an exemption during the construction period. *S. Iowa Methodist Homes, Inc. v. Bd. of Rev.*, 136 N.W.2d 488, 492 (Iowa 1965). The legislature intended the term "under construction" to include renovations and repairs to charitable property. *Des Moines Coal. for the Homeless v. Des Moines City Bd. of Rev.*, 493 N.W.2d 860, 862 (Iowa 1992).

The evidence established that Plaintiff was actively converting the property to its intended use as of January 1, 2024. Polk County issued an electrical permit on June 30, 2023, and work began shortly thereafter. Tr. Day 1 78:22–79:9; Ex. 15. The contractor remodeled the red shed, replaced the overhead garage door with storefront doors, tinted windows, built a sound booth, painted, replaced ceiling tiles and lighting, and prepared the building for fire suppression. Tr. Day 1 79:13–23. Plaintiff purchased and installed a water tank and sprinkler piping, adjusted the septic system, graded the land, and paved the parking lot. Tr. Day 1 80:20–81:4. Weekly planning meetings with architects and structural, mechanical, and plumbing engineers were underway in 2023, and the planning continued through trial. Tr. Day 1 86:1–25. The permit was extended into 2025 because the work remained incomplete on the assessment date, and final occupancy issued in the fall of 2025. Tr. Day 1 88:16–23; 89:7–21. The property was under construction within the meaning of the statute on January 1, 2024.

Defendant emphasizes that the campus depicted in the promotional materials did not exist on January 1, 2024, that Plaintiff admitted there was no use of the property on that date and no regular use at that time, and that Plaintiff's only gatherings on the site in 2023 were a donor reception held under a one time occupancy agreement, a Christmas party, and a board meeting. Tr. Day 1 82:8–83:4; 97:9–98:7; 99:19–24. Those facts describe exactly what section 427.1(8) contemplates when it extends the exemption to grounds and buildings "used or under construction." A property in the midst of conversion to an exempt use will, by definition, not yet host the completed operation. The Iowa Supreme Court exempted a partially constructed home for the elderly on precisely this reasoning, holding that property which will be exempt when the building is completed and occupied is also exempt during the construction period in *S. Iowa Methodist Homes* and extended the same rule to renovations in *Des Moines Coalition for the Homeless*. *S. Iowa Methodist Homes*, 136 N.W.2d at 492; *Des Moines Coalition for the Homeless*, 493 N.W.2d at 862. The absence of completed buildings and regular operations on the assessment date is therefore not a defect in Plaintiff's claim; it is the premise of the statutory provision Plaintiff invokes.

In their brief, Defendant argues *Des Moines Coalition for the Homeless* is distinguishable because Plaintiff's exempt status is disputed and because the lack of separation among The Family Leader's related entities makes the construction argument premature. The first point is addressed in the next division. As to the second, the record shows that Plaintiff, the 501(c)(3) entity, owns the property, that Plaintiff's funds purchased it and paid the five to six million dollars in engineering, architecture, and construction costs, and that fifteen donations totaling just over four million dollars were given to Plaintiff specifically for the project as unconditional gifts. Tr. Day 1 111:5–20; 144:18–24; Tr. Day 2 117:8–22. Plaintiff's president testified that the 501(c)(4) and the political action committee may use the property only for 501(c)(3) purposes and that any campaign intervention activity will be conducted from separate, temporarily rented space to maintain a firewall around property owned by the 501(c)(3). Tr. Day 2 121:19–122:24. Plaintiff's chief counsel has toured offices near the Capitol and presented concrete proposals to the chief executive officer and the board to that end. Tr. Day 1 169:9–19; *see also* Tr. Day 1

143:6–8. The Court credits this testimony. The statute asks whether the grounds and buildings are used or under construction by a qualifying society solely for its appropriate objects, and the record shows construction by Plaintiff for Plaintiff's objects.

2. Plaintiff is a religious and charitable society.

This is the heart of the dispute. Either a religious or a charitable character is sufficient under the statute, which lists "literary, scientific, charitable, benevolent, agricultural, and religious institutions and societies." Iowa Code § 427.1(8).

The term "religious institution or society" is not expressly defined by the statute. Section 427.1 uses that broader phrase rather than a narrower term such as "church" or "place of worship." Reading the statute according to its ordinary meaning, as *Chickasaw* now directs, the Court concludes the legislature's choice of broader language indicates an intent to include religious organizations such as religiously based ministries and parachurch entities, not merely congregations that gather for worship.

The Iowa Supreme Court construed the religious exemption in *Parshall Christian Order v. Board of Review,* 315 N.W.2d 798 (Iowa 1982), holding that, to be a religious organization for purposes of section 427.1, a group's predominant reason for associating must center on a religious pursuit. *Id.* at 803. Defendant relies on the definitions of "church society" and "religious society" acknowledged in *Parshall*, which describe voluntary organizations united for worship and religious instruction. *Id.* at 802. But the operative test from *Parshall* is whether the predominant reason for associating centers on a *religious pursuit*, and the trial record answers that question in Plaintiff's favor. *Id.*

Plaintiff is a Christian ministry whose employees must believe and practice the National Association of Evangelicals' Statement of Faith as a condition of employment. Tr. Day 1 17:12–

15; 18:17–19:6; 110:17–21; Exs. 5, 6. Its stated mission is inspiring the Church to engage the Government for the advance of God's Kingdom and the strengthening of the Family. Ex. 1 at 2. Its signature activity is connecting pastors with government leaders, which it has done 10,500 times, and every such meeting starts in the Word and ends in prayer. Tr. Day 1 21:1–3; 21:23–25. Plaintiff produces white papers presenting what the Bible says on subjects such as criminal justice, education, and poverty. Tr. Day 1 26:22–25. Its witnesses grounded the ministry in the Biblical passages of Romans 13, 2 Corinthians 5, and Jeremiah, and its vice president and chief counsel testified without contradiction that the organization is one hundred percent religious, Christian Orthodox religious, to its core, that its team prays daily, and that he has led a weekly prayer meeting at the Capitol for thirty-five years. Tr. Day 1 24:21–25; 61:13–25; 162:14–163:3. The organization views its people as missionaries in a spiritual sense. Tr. Day 1 163:11–18. The Court believes that these are religious pursuits. The Court cannot conclude that an organization whose daily work consists of prayer, scriptural teaching, and pastoral connection is anything other than predominantly religious in character.[1]

[1] The Court believes that disputes of this nature often arise, in part, from a gap in understanding between government officials and those who, like Plaintiff, hold sincere religious convictions about how such persons view and live out their faith. Baker grounded the ministry in Paul's call to be ambassadors of Christ, in Jeremiah's instruction to seek the welfare of the city, and in Romans 13, and he pointed to Joseph serving Pharaoh and Nathan correcting King David as the biblical models for the work. Tr. Day 1 61:13–25; 64:10–65:18. When the Court asked Baker whether his theology distinguishes ministry to government from more conventionally recognized religious mandates such as feeding the poor, he answered that it does not, because engagement with government is part of achieving those very ends. Tr. Day 1 62:2–18.

That conviction has a long and traceable lineage in Christian thought. Augustine of Hippo taught in the fifth century that the believer holds a dual citizenship, belonging finally to the heavenly city while called to bring its virtues into the earthly one, where public office serves the temporal peace and justice that reflect God's character. Augustine, The City of God bk. XIX (c. 426). John Calvin collapsed the medieval divide between sacred clergy and secular laity, writing that civil authority is a calling not only holy and lawful before God but "the most sacred and by far the most honorable of all callings" in mortal life. John Calvin, Institutes of the Christian Religion bk. IV, ch. XX, § 4 (1559). Abraham Kuyper gave the conviction its most famous modern expression, declaring in his 1880 address Sphere Sovereignty that there is "not a square inch in the whole domain of our human existence" that Christ does not claim as His own and, like every other sphere of creation, government stands under divine sovereignty and is a proper field of Christian service. Abraham Kuyper, *Sphere Sovereignty* (Oct. 20, 1880), *reprinted in* Abraham Kuyper: A Centennial Reader 461, 488 (James D. Bratt ed., 1998); *see also* Abraham Kuyper, *Lectures on Calvinism* 79-115 (1898) (elaborating on state sovereignty and government as fields under divine authority). Herman Dooyeweerd systematized that framework, and Francis Schaeffer and Charles Colson carried it to the late twentieth-

Defendant responds that Plaintiff is not a church, has no congregation, no membership, no elders, and no place of worship, all of which Plaintiff candidly admits. Tr. Day 1 56:8–18. But the statute does not say "church." It says "religious institutions and societies," and the Court declines to read into the statute a congregational requirement the legislature did not write. Plaintiff describes itself as a parachurch organization that serves and works alongside churches, and its witness affirmed it is a religious organization, particularly Christian. Tr. Day 1 55:22–56:7. The Court also notes the caution counseled by the First Amendment in this area. Civil courts cannot evaluate whether certain practices are sufficiently religious to warrant preferred tax or regulatory treatment. *Cath. Charities Bureau, Inc. v. Wis. Lab. & Indus. Rev. Comm'n*, 605 U.S. 238, 252 (2025). Decisions about whether to express religious doctrine through worship, proselytization, or religious education when performing charitable work are fundamentally theological choices, and a rule that excludes religious organizations from an accommodation on such grounds facially favors some denominations over others. *Id.* Defendant's argument, reduced to its essence, is that Plaintiff practices its faith in the wrong way, through ministry to government rather than through Sunday worship. Plaintiff's witness made the point directly: the organization worships in the biblical sense, opening pretty much all meetings with prayer and a devotion, though not in the constricted sense of a Sunday morning service. Tr. Day 1 189:1–11. That is a distinction this Court is not free to draw.

century American church, teaching that civic engagement is not a distraction from the gospel but an extension of it. *See* Herman Dooyeweerd, *Roots of Western Culture: Pagan, Secular, and Christian Options* (1979) (systematizing the Kuyperian sphere framework); *see also* Francis A. Schaeffer, *A Christian Manifesto* (1981) (applying the framework to American civic duty); Charles Colson, *Kingdoms in Conflict* (1987) (arguing for political engagement as a structural outworking of Christian faith).

The Court does not sit to evaluate the soundness of this theology, and under *Catholic Charities* it could not. The Court notes the tradition only because it confirms that Plaintiff's ministry to government reflects a sincerely held religious conviction with deep roots, rather than a label affixed to secular political work.

Defendant also points to Plaintiff's articles of incorporation and to Iowa Code section 13C.1(5) to support taxation. The Defendant argues that the articles may be considered but are not controlling and the question must be determined from the use made of the property rather than the declaration in the articles. *S. Iowa Methodist Homes, Inc. v. Bd. of Rev. of the City of Des Moines*, 173 N.W.2d 526, 532 (Iowa 1970). The evidence indicates, however, that the articles themselves direct the corporation to support public policies preserving and strengthening traditional Judeo-Christian family values, a religious identity on the face of the document. Tr. Day 1 63:15–64:3. As for chapter 13C, its definitions govern "[a]s used in this chapter," a consumer protection scheme regulating professional fundraisers who solicit public donations. The chapter excludes religious organizations from its definition of charitable organizations, indicating that it is limiting coverage within chapter 13C, and nothing in the chapter purports to define the terms of the property tax exemption in section 427.1(8). The Assessor himself acknowledged that the exclusion operates within the context of chapter 13C. Tr. Day 2 38:24–39:19. The Court does not believe a definitional cross reference from an unrelated regulatory chapter conclusively defeats exemption.

The Court also finds, independently, that Plaintiff is a charitable society. "Charity" under the statute encompasses all humanitarian activities. *Carroll Area Child Care Ctr., Inc. v. Carroll Cnty. Bd. of Rev.*, 613 N.W.2d 252, 255 (Iowa 2000). There is no necessity that charitable contributions form a certain threshold percentage of an institution's budget before the institution can be considered charitable, but when donations make up the bulk of an organization's budget it logically points to a charitable nature. Private donations fund ninety percent or better of Plaintiff's activities. Tr. Day 1 108:14–23. Plaintiff is also a recognized 501(c)(3) organization, and its articles state a charitable purpose. Tr. Day 1 107:22–108:2; Ex. 11; Ex. 7. Plaintiff's efforts led thirty-six churches in its network to found Together for Good, which serves 400 at-risk families in central Iowa; Plaintiff has worked with two Attorneys General on prisoner reentry; and during the pandemic, Plaintiff's team helped relocate food pantries from closed public schools into churches in over sixty counties. Tr. Day 1 22:4–22; 22:23–23:21; 62:10–18; 66:10–25. These are humanitarian activities.

Defendant developed at trial that Plaintiff's reportable grants in 2021 through 2023, exceeding $2.5 million, all went to sister organizations outside Iowa, and the Assessor testified that he weighs where grant money goes because exemptions shift the tax burden to the remaining local property owners. Tr. Day 1 130:10–133:2; 142:11–17; Tr. Day 2 31:24–32:7. The argument fails for three reasons. First, the statute contains no geographic benefit requirement, and the Assessor conceded that an Iowa charity whose charitable work is focused outside Polk County, and even outside Iowa, may qualify for exemption, while admitting he could identify no threshold, guidance document, or published regulation governing how much local benefit is enough. Tr. Day 2 31:8–19; 33:13–34:22. An unwritten and unascertainable local benefit test is not a basis on which this Court, construing the statute according to its ordinary meaning, can deny an exemption. Second, the grant pattern reflects the structure of Plaintiff's network rather than an absence of Iowa activity: Plaintiff is itself Iowa's family policy organization and funds the Iowa ministry from its own donations, so it has no occasion to send grants to itself, while its out of state grants replicate the model elsewhere through sister organizations, partly funded by Iowa donors who wish to see that expansion. Tr. Day 1 149:18–150:6; Tr. Day 2 110:10–21. Third, the record shows substantial Iowa activity in any event: the Church Ambassador Network's 2,200 Iowa churches, the founding of Together for Good and its service to 400 central Iowa families, the prisoner reentry work, the pandemic food pantry relocations, and gifts to local ministries beneath the federal reporting threshold. Tr. Day 1 15:2–9; 22:4–22; 22:23–23:21; 54:13–15; 62:10–18; 66:10–25; 141:9–142:6.

Defendant further argues that Plaintiff merely takes credit for charity performed by other organizations, comparing Plaintiff to a fast food restaurant collecting round up donations. The comparison does not hold, and the Assessor's own office practice refutes it. Facilitation of charitable and religious work by others is a recognized exempt use in Polk County. The Community Foundation of Greater Des Moines holds a charitable exemption although its mission is making grants to other charitable organizations rather than performing direct charitable work. Tr. Day 1 178:11–179:3; Ex. 20. The Central Region Open Bible Churches property holds a religious exemption although no church services occur there; it is an office facility serving other churches. Tr. Day 1 174:15–175:19; Ex. 18. The Iowa District Council of Assemblies of God property is likewise a support organization for congregations. Tr. Day 1 178:1–10; Ex. 19. The Court considers these exemptions not as proof of disparate treatment giving rise to any independent claim, but as evidence of the ordinary meaning the operative terms of section 427.1(8) bear in practice: an organization may qualify although its work consists of connecting, equipping, and facilitating rather than direct service delivery. A fast food restaurant exists to sell food, and its charity is incidental to that commercial purpose. Plaintiff exists to minister, connect, and facilitate, and that work is its primary purpose, not an incident to some other enterprise. The Assessor's contrary view rested in significant part on Form 990 entries reporting that Plaintiff's president devoted ninety-five percent of his time to the 501(c)(4) entries, the custodian of the books and records testified are backwards, that the president contradicted under oath, and that the independent auditor has acknowledged as error and is amending. Tr. Day 2 73:18–74:6; Tr. Day 1 123:3–9; 123:17–124:25; Tr. Day 2 104:23–105:1;

116:9–22. The Court credits the audited eighty-five and fifteen percent allocation. Tr. Day 1 104:2–18; 107:13–18.

3. The property is less than 320 acres.

The undisputed evidence is that the property is 20.45 acres. Tr. Day 2 59:14–15; Ex. 1 at 1. This element is satisfied.

4. The property was not used for inappropriate objects.

Because the Court concludes Plaintiff is shown to be a charitable and religious society under Iowa Code section 427.1(8) independent from its use of the property for which exemption is claimed under Iowa Code section 427.1(9), the more demanding "actual use" test does not apply. *Camp Foster YMCA v. Dickinson Cnty. Bd. of Rev.*, 503 N.W.2d 409, 411 (Iowa 1993). When an organization is demonstrably charitable, any use of property that fosters an activity falling fairly within the mission of the institution qualifies. *Id.*

The principal activity on the property as of the assessment date was renovation and construction in preparation for Plaintiff's ministry operations, a use that fosters Plaintiff's mission directly. The three 2023 gatherings on the property, a donor reception preceding Plaintiff's leadership summit, an employee Christmas party, and a board meeting, likewise fall fairly within the mission of the institution. Tr. Day 1 97:9–98:7. The remaining question is whether the temporary hay cutting on a portion of the property defeats the exemption.

Defendant relies on the Property Assessment Appeal Board's decision in *High Pointe Church v. Polk County Board of Review*, PAAB Docket Nos. 2019-077-00359R, 2019-077-00360R, and 2019-077-00361R (Apr. 30, 2020). The Court finds *High Pointe* distinguishable. There, the church leased a residence to a tenant whose presence did not benefit the church, the property was in disrepair, the church did not use the property during the lease term, and the church did not claim the property was under construction. Even so, PAAB did not believe a short, rent free lease immediately destroyed exemption eligibility; it weighed the lease with the other facts. Here, by contrast, Plaintiff was actively renovating the property, Plaintiff leased the property to no one, and the farmer's cutting of hay benefited Plaintiff's mission by sparing Plaintiff the expense of mowing, spraying, and keeping the vegetation down on the ground awaiting grading and a county-required perimeter planting. Tr. Day 1 94:1–13; 124:20–21; Tr. Day 1 85:2–9; Tr. Day 2 123:23–125:8.

Defendant also invokes *Congregation B'Nai Jeshurun v. Board of Review of the City of Des Moines*, 301 N.W.2d 755 (Iowa 1981), in which the Court denied an exemption for a residence housing a religious institution's custodian, a use that only generally benefited the institution. *See St. Ambrose Univ. v. Bd. of Rev.*, 503 N.W.2d 406, 407 (Iowa 1993). The temporary cutting of hay from an alfalfa field, a holdover of the farming that predated Plaintiff's ownership and ended when construction reached that ground, is not comparable to dedicating a dwelling to residential occupancy. Tr. Day 1 93:15–25; 84:16–24. When property is under construction, it is commonplace for contractors and service providers to derive compensation from their work on the property. A lawn service paid by Plaintiff to mow would have made money; the Court sees no principled distinction in the farmer's arrangement, which cost Plaintiff nothing and kept the grounds maintained.

5. The property was not used with a view to pecuniary profit.

"Pecuniary profit" refers to monetary gain which inures to the benefit of private individuals. *Care Initiatives*, 500 N.W.2d at 17; *Bethesda Found. v. Bd. of Rev.*, 453 N.W.2d 224, 228 (Iowa Ct. App. 1990). The statutory phrase is "not leased or otherwise used or under construction with a view to pecuniary profit." Iowa Code § 427.1(8).

The Assessor testified that the farming arrangement defeats this element: part of the property was farmed by Noah Wendt for private gain, which in the Assessor's view meets the definition of pecuniary profit, and although he did not know of the farming when he made his recommendation, he testified it supports the denial now. Tr. Day 2 66:7–24. Defendant likewise points out that the exemption application answered "no" to the pecuniary profit question even though the farming was ongoing. Tr. Day 1 114:19–115:20.

The Court rejects the Assessor's construction of the statute. The phrase "with a view to pecuniary profit" describes the purpose with which the owner leases, uses, or constructs upon the property. It asks whether the institution holds the property as a profit-making venture, not whether any third party anywhere derives income from activity on the land. Plaintiff did not lease the property, received no rent, shared in no proceeds, and gained nothing except relief from the cost of mowing, spraying, and keeping down vegetation on ground awaiting grading and a county required perimeter planting. Tr. Day 1 85:2–14; 94:1–13; Tr. Day 2 123:23–125:8. The Assessor himself conceded on the record that Plaintiff made no money from the arrangement and derived no profit, monetary or otherwise. Tr. Day 2 87:13–88:5. There is no evidence the farmer himself profited; Plaintiff's president did not know whether he did, and the farmer bore the risk of losing the crop to construction. Tr. Day 2 124:8–12; 125:5–8.

Furthermore, the Assessor's reading also goes too far. When property is under construction, contractors, engineers, architects, and service providers routinely derive compensation, and presumably profit, from their work on the property; a lawn service paid to mow this same field would have made money. If third-party gain were the measure, no property under construction could ever qualify, a result irreconcilable with *South Iowa Methodist Homes* and *Des Moines Coalition for the Homeless*. Even the authority Defendant supplied counsels against treating an uncompensated accommodation as fatal: in *High Pointe Church*, PAAB did not believe a short, rent-free arrangement immediately destroyed exemption eligibility, weighing it instead with the other facts. The facts here weigh in Plaintiff's favor. The hay cutting was a temporary holdover of farming that predated Plaintiff's ownership; it cost Plaintiff nothing, it benefited the construction effort by maintaining the grounds, and it ended when the county's perimeter requirement reached that ground. Tr. Day 1 84:16–24; 93:15–25. As for the application form, Long answered the pecuniary profit question for Plaintiff's own use of the property without knowledge of the farming arrangement, Tr. Day 1 114:19–115:20, and her answer was correct as to the only purpose the statute examines, the owner's. The property was not leased or otherwise used or under construction with a view to pecuniary profit. This element is satisfied.

D. The Agricultural Classification Did Not Bar the Exemption

The Assessor testified that, because the property remained classified agricultural, the classification would need to change to commercial before even a partial exemption could be awarded. Tr. Day 2 80:14–20. Defendant provided no citation for that proposition, and the Court has found none in the materials before it. Iowa Code section 427.1(8) says nothing requiring commercial classification as a precondition to exemption. To the contrary, the statute expressly lists agricultural institutions and societies among those eligible. The classification, moreover, was not the product of any evaluation of Plaintiff's use; it simply carried over from the Geisler parcel when the 20.45 acres were split off. Tr. Day 2 59:10–19; 64:7–16. Because this Court determines anew all questions relating to the liability of the property to assessment, Iowa Code § 441.38, the administrative sequencing of classification and exemption in the Assessor's office cannot constrain the Court's determination of whether the property qualifies for exemption under the statute. The agricultural classification on January 1, 2024, presented no legal obstacle to the exemption.

E. The Denial of the Exemption Did Not Violate the Iowa Religious Freedom Restoration Act

Plaintiff advances an independent claim under the Iowa Religious Freedom Restoration Act, Iowa Code chapter 675, contending that the denial of the exemption substantially burdened its exercise of religion and that Defendant cannot satisfy the strict scrutiny the Act demands. Although the Court has resolved the appeal in Plaintiff's favor on statutory grounds, it addresses the RFRA claim because Plaintiff pleaded it as a separate basis for relief and because the relief Plaintiff seeks under the Act, including damages and attorney fees, depends on it. For the reasons Defendant advances, the Court concludes the denial did not violate the Act.

1. The threshold question of a substantial burden.

The Act provides that state action shall not substantially burden a person's exercise of religion, even if the burden results from a rule of general applicability, unless the government demonstrates that applying the burden furthers a compelling governmental interest by the least restrictive means. Iowa Code § 675.4(1). The claimant bears the initial burden of demonstrating a substantial burden on the exercise of religion before any burden shifts to the government. *Adams v. Comm'r of Internal Revenue*, 170 F.3d 173, 176 (3d Cir. 1999). If the claimant fails to make that threshold showing, the strict scrutiny inquiry is never reached.

Plaintiff did not carry that threshold burden, and the failure is established by Plaintiff's own witnesses. The amount of tax at issue for the 2024 assessment is approximately $3,300 per year against an organization whose annual revenue ranged from roughly $3.9 million to $7.1 million. Tr. Day 1 136:6–137:3; 137:16–22. When asked directly whether payment of the tax has hindered the ministry, Long testified that she would not argue it hinders the ministry and that the goal of the suit is fairness, and she could identify nothing Plaintiff had been unable to do as a result of paying the tax. Tr. Day 1 137:23–138:20. Her qualification that “less is less,” Tr. Day 1 138:13–15, establishes only that the payment marginally reduces available funds, which is true of any tax and which the United States Supreme Court has held is not a constitutionally cognizable burden on religious exercise. The Court’s witnesses confirmed that Plaintiff’s religious mission has continued without interruption notwithstanding the denial.

2. Denial of a tax exemption is not, on this record, a substantial burden.

Plaintiff's argument rests entirely on the statutory phrase defining "substantially burden" to include "withholding of benefits." Iowa Code § 675.3(5). Plaintiff reasons that a tax exemption is a benefit, that its denial is therefore a withholding of a benefit, and that the withholding is by definition a substantial burden requiring strict scrutiny. The Court does not read the statute to work so mechanically.

The defined term is "substantially burden," and the modifier "substantially" cannot be read out of the statute. *See* Iowa Code § 675.3(5). The inclusion of "withholding of benefits" within the kinds of action that may constitute a substantial burden does not convert every denial of every benefit into a substantial one; it means that a withholding of benefits, like a direct constraint or inhibition, qualifies only when it substantially burdens the exercise of religion. To hold otherwise would mean that the denial of any government benefit of any size, however trivial its effect on religious practice, automatically triggers strict scrutiny, a reading that would subject routine tax administration to the most exacting constitutional standard whenever a religious organization is involved. The legislature's retention of the word "substantially" forecloses that result.

The federal and state authorities Defendant cites confirm the point. In *Hernandez v. Commissioner of Internal Revenue*, 490 U.S. 680 (1989), the Supreme Court doubted whether the disallowance of a tax benefit was a substantial burden at all, observing that any burden derived solely from the fact that adherents had less money available, a burden no different from that imposed by any public tax or fee. *Id.* at 699–700. In *Christ Church Pentecostal v. Tennessee State Board of Equalization*, 428 S.W.3d 800 (Tenn. Ct. App. 2013), the court applied a RFRA materially similar to Iowa's and held that the partial denial of a property tax exemption did not burden the free exercise of religion, because the tax statutes neither prohibited nor coerced any act contrary to religious belief. *Id.* at 821. So too here. The denial of the exemption does not forbid Plaintiff from ministering to government leaders, from connecting pastors with officials, from operating the Church Ambassador Network, from praying, or from doing anything else its faith requires. It requires only that Plaintiff, like other property owners, pay a modest tax on property that was classified agricultural and not yet in exempt use on the assessment date.

The record reinforces that conclusion. Plaintiff's own theology, as its witnesses explained, affirms the payment of taxes rather than resisting it; Baker grounded the ministry in Romans 13, which instructs that taxes are owed to the governing authorities. Tr. Day 1 24:21–25. Plaintiff does not contend, and could not on this record, that paying the tax violates any tenet of its faith. The burden Plaintiff asserts is thus not a burden on the exercise of religion at all, but a financial consequence of an adverse tax determination, which is the ordinary subject of the assessment appeal the Court has already resolved. A disagreement about whether property qualifies for an exemption is not transformed into a religious liberty violation merely because the property owner is a religious organization.

3. The compelling interest and least restrictive means inquiry is not reached.

Because Plaintiff did not establish a substantial burden, the burden never shifted to Defendant to demonstrate a compelling governmental interest pursued by the least restrictive means. *Adams*, 170 F.3d at 176. The Court notes, however, that Defendant identified the interest the federal courts have repeatedly recognized as compelling in this setting: the maintenance of a sound and efficient tax system, the administration of which a uniformly applicable scheme is the least restrictive means of furthering. *United States v. Lee*, 455 U.S. 252, 260 (1982); *United States v. Indianapolis Baptist Temple*, 224 F.3d 627, 630 (7th Cir. 2000); *Browne v. United States*, 176 F.3d 25 (2d Cir. 1999). The Assessor testified that removing property from the tax rolls shifts the burden to the remaining property owners and that case-by-case scrutiny of exemption claims serves the fairness of the system as a whole. Tr. Day 2 31:24–32:7; 82:8–19. Had the analysis reached this stage, that interest would have weighed heavily. But the analysis does not reach this stage, because Plaintiff did not make the threshold showing the Act requires.

4. Conclusion on the RFRA claim.

Plaintiff's claim under the Iowa Religious Freedom Restoration Act fails because the denial of the exemption did not substantially burden Plaintiff's exercise of religion. Plaintiff prevails on its statutory exemption claim under Iowa Code section 427.1(8) for the reasons stated in Divisions C and D, and that is the basis on which relief is granted. The relief available under chapter 675, including damages and attorney fees under Iowa Code section 675.4(2), is not available, and Plaintiff's recovery is limited to the relief that follows from a successful assessment appeal.

V. RULING AND ORDER

For the reasons stated, the Court concludes that the subject property qualified for exemption from property taxation under Iowa Code section 427.1(8) for the 2024 assessment year as property of a religious and charitable society used and under construction solely for its appropriate objects, and that Plaintiff's separate claim under the Iowa Religious Freedom Restoration Act, Iowa Code chapter 675, fails because the denial did not substantially burden Plaintiff's exercise of religion. Relief is therefore granted on the statutory assessment appeal alone.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED as follows:

1. The decision of the Polk County Board of Review affirming the Polk County Assessor's denial of Plaintiff's application for a property tax exemption for the property located at 5179 NE 94th Avenue, Bondurant, Polk County, Iowa, for the January 1, 2024, assessment is REVERSED.
2. The Court declares that the subject property is exempt from property taxation under Iowa Code section 427.1(8) for the 2024 assessment year as property of a religious and charitable society used and under construction solely for its appropriate objects.
3. Plaintiff's claim under the Iowa Religious Freedom Restoration Act, Iowa Code chapter 675, is DENIED, and no relief is granted under Iowa Code section 675.4(2), including no award of damages or attorney fees under that chapter.
4. The Polk County Assessor and the Polk County Board of Review shall correct the assessment records to reflect the exempt status of the subject property for the 2024 assessment year, and Defendant shall take the steps necessary to ensure the refund or credit of property taxes paid by Plaintiff with respect to the 2024 assessment, including the installment Plaintiff paid in September 2025. Tr. Day 1 136:6–137:3.
5. This ruling addresses only the 2024 assessment year, the year on appeal. It does not determine the classification or exempt status of the property for any subsequent

assessment year, including the 2025 reassessment that Plaintiff did not appeal. Tr. Day 2 60:2–16.

6. Costs of this action are taxed to Defendant.

IT IS SO ORDERED.

State of Iowa Courts

Case Number	**Case Title**
EQCE090220	THE FAMILY LEADER FOUND INC VS POLK CNTY BD REV
Type:	ORDER OF DISPOSITION

So Ordered

Scott J. Beattie, District Court Judge,
Fifth Judicial District of Iowa

Electronically signed on 2026-06-25 14:15:58