

SUBJECT TO FINAL EDITING

JUDICIAL COUNCIL OF THE UNITED METHODIST CHURCH

DECISION NO. 1462

[Docket No. 1022-05]

IN RE: Review of a Bishop's Ruling on Questions of Law in the Greater New Jersey Annual Conference as to Whether the Annual Conference was in Full Compliance with Tax Regulations Concerning the Sale of Parsonages.

DIGEST

The decision of Bishop John R. Schol is affirmed for the reasons set forth therein.

STATEMENT OF FACTS

On May 23, 2022, during the business session of the Greater New Jersey Annual Conference, a lay member of the conference submitted the following request for a ruling of law:

Question of Law: In reference to the report of the Board of Trustees on page 126 in the 2022 preconference booklet "Belmar Parsonage — sale to Bishop and Beverly Schol in progress as per agreement," is the transaction of the sale of the parsonage to bishop Schol and Mrs. Schol in violation of the state and federal law that prohibits private insiders benefitting from the religious tax-exempt organization such as the GNJUMC and UMC under the IRS regulations i.e., "The prohibition against inurement to insiders is absolute; therefore, any amount of inurement is, potentially, grounds for loss of tax-exempt status"? (IRS publication 1828 rev. 8-2015)

On June 15, 2022, Bishop John R. Schol issued the following Decision of Law:

ANALYSIS AND RATIONALE

A thorough search of The Book of Discipline does not yield permission for the Bishop or the Judicial Council to interpret or rule on United States laws or tax code. The U.S. government does not provide permission for bishops to make rulings on questions of U.S. law. Questions of law in the church were meant for superintendents, and bishops to make rulings of law based on church law (paragraph 419.10). In Mr. Sim's question, "...is the transaction of the sale of the parsonage to bishop Schol and Mrs. Schol in violation of the state and federal law..." does not have a question of church law.

RULINGS OF LAW

This question is null and void because a bishop's ruling of law is for church law and this question requires a ruling of a law concerning the laws and tax code of the United States of America.

Jurisdiction

The Judicial Council has jurisdiction under ¶ 2609.6 of *The 2016 Book of Discipline*.

Analysis and Decision

The decision of Bishop John R. Schol is affirmed for the reasons set forth therein.

Dennis Blackwell recused himself and did not participate in any of the proceedings related to this decision.

February 28, 2023

Separate Opinion

We concur with our colleagues regarding some aspects of the Bishop's ruling, but we note that the Digest needs to indicate the major issues that were ruled upon by the Bishop and further indicate those aspects upon which the Judicial Council specifically agrees and affirms as a matter of church law.

The specific issues that the Judicial Council is affirming in its review of a Bishop's ruling on a question of law ought to be set forth in the Digest so that those institutions and publications [especially hardcopy print publications], which quote and rely exclusively upon the Digest to provide a **concise statement of the issues** decided by the Judicial Council in each Decision or Memorandum, are able to continue to alert their respective readers or members of potential changes in the interpretation or application of church law. If a Digest states only that the Judicial Council affirms the ruling of the Bishop "**for the reason set forth therein**" then those institutions and publications which have heretofore relied upon our Digest, will no longer be in a position to immediately provide a meaningful alert to their respective readers or members concerning such decisions or memorandums that have just been released by the Judicial Council.

Beth Capen
Kabamba Kiboko

February 28, 2023

Separate Opinion

In addition to the above concern is that episcopal rulings contain many nuanced statements that can be interpreted in a variety of ways and thereby risk resulting in polity which could be misapplied by others. General Conference has tasked the Judicial Council, exclusively, with the responsibility of articulating those major aspects of each episcopal ruling and relating each aspect to the Disciplinary principles, polity, and former Decisions which provide the predicate for determining that the Bishop is correct or incorrect concerning that aspect of his or her ruling. The denomination is relying upon the Judicial Council to identify the key points in an episcopal ruling, and affirm, modify or reverse those key points, in whole or in part, and thereby reconcile the multiple rulings that are issued each year and ensure that our church law is not subject to more than one interpretation.

Beth Capen
February 28, 2023