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Splinter explainer: Why church property plays major role in split of United Methodist Church



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Key Points

Amid disagreements over theology and church policy, including dealing with LGBTQ rights, property ownership has become a major dispute within the splintering of the United Methodist Church.

Some regional conferences require churches leaving the UMC to pay a percentage of their property's appraised value.

Some congregations leaving the United Methodist Church are paying for their property to leave the denomination, while others aren't.

Property disputes are seen as more bureaucratic business and can get lost in the broader conversation about United Methodism's fraying. But it's a main driver for the spirited debate present in the denomination's divisiveness.

More than 2,000 congregations have left the UMC since 2019, with most departures occurring last year and many joining a more conservative breakaway denomination, the Global Methodist Church.

The largely Nashville-base United Methodist Church is the largest mainline Protestant denomination in the U.S.

Disagreements over theology and church policy, including dealing with LGBTQ rights, are fueling the flight. But it's not what is making some conservative Methodists the maddest.

“That’s the driving issue. It’s all about money and property,” said attorney Dan Dalton, who specializes in church property law and is representing congregations leaving the UMC.

Another wave of departures in 2023 started this month with a special session in the Virginia Conference. Twenty regional conferences so far have organized special sessions for this year to ratify additional disaffiliations.

It’s not just a fight over finances. For some, it strikes at the heart of what it means to be Methodist. Here’s why:

Why the fuss?

Congregations trying to leave the UMC want to preserve their same life at the lowest cost possible.

Many Global Methodist proponents were hopeful about a UMC policy that would allow a church to transfer its assets to a different denomination. However, the UMC’s highest court decided in August the absence of an agreement between the UMC and the Global Methodist Church disallows that asset transfer.

The August decision left conservatives with disaffiliation as the primary method of departure, which is a multi-step process involving a congregation vote, ratification by a regional conference, and payments.

What’s the cost?

Property isn’t the only price churches pay to leave the UMC and in many areas, is not a price at all.

A minority of regional conferences require churches to pay a percentage of the appraised value of a property.

At least three regional conferences — Baltimore-Washington, Peninsula-Delaware and California-Pacific — require churches to pay 50% of a property’s market value. The California-Nevada Conference requires 20%. The Pennsylvania-based Susquehanna

Conference and Colorado-based Mountain Sky Conference require a lower percentage or on a case-by-case basis.

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Congregations in most other regional conferences — such as the Tennessee-Western Kentucky Conference — are leaving with their property after paying other, more customary payments such as apportionments and unfunded pension liabilities.

Dalton said in other cases there are churches still paying a mortgage and whose lender is a UMC-affiliated foundation, which might pull the church's loan if it disaffiliates.

Why has it escalated?

Conservatives have used the property payment requirement in some regions as fodder for criticism that United Methodist bishops are treating detractors unfairly.

The Wesleyan Covenant Association, the main traditionalist advocacy group, called for churches in certain regions to withhold tithing to pressure leaders in conferences requiring a property payment.

Church policy on property ownership is at the center of two ongoing lawsuits in Florida and North Carolina and a recently settled suit in Georgia between churches trying to leave the UMC and their regional conferences.

The battles revolve around the “trust clause,” a UMC policy that says in one section “properties...are held, *in trust*, for the benefit of the entire denomination.” Another section allows churches to “acquire, hold, maintain, improve, and sell property.”

Some United Methodist conferences have used the trust clause to claim ownership of a disaffiliating church's property or to require the property appraisal payment.

“United Methodists today are beneficiaries of the gifts and stewardship of Methodists that came before,” said the California-Pacific Conference in a post explaining its property payment requirement.

“The trust clause is one way we seek to be bound with a shared vision and mission,” the California-Pacific Conference added, saying the money from the property appraisal

payment will go to future ministries.

Trust clauses are unenforceable in some states, an argument that some disaffiliating churches are using to push back, Dalton said. In other states, it requires other routes.

“Every church is different and unique and it’s just a matter of digging through their formation, their governing documents just to see ‘is there a path out there for them?’” Dalton said.

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