I. Disposition of Property of a Closed Local Church

1. Except as provided in Paragraph 2549.3, the district superintendent may, pursuant to this paragraph, recommend the closure of a local church upon finding that:
   a. The local church no longer serves the purpose for which it was organized, or incorporated (Paragraphs 201-204); or
   b. The local church property is no longer used, kept, or maintained by its membership as a place of divine worship of The United Methodist Church.

2. Procedure:
   a. Prior to a recommendation to close a local church, the district superintendent shall:
      1) Guide the congregation in an assessment of its potential as outlined in Paragraph 213, in consultation with the appropriate agency assigned the responsibility of the conference parish and community development strategy;
      2) Obtain and consider an opinion of legal counsel as to the existence of any reversion clause, possibility of reversion, right of reacquisition, or similar restrictions to the benefit of any party;
      3) Develop in consultation with the appropriate district board of church location and building, a plan for the future use of all real and personal, tangible and intangible property of the local church;
      4) Develop a plan for the transfer of the membership of the local church (Paragraph 229);
      5) If there is a local church owned cemetery, develop a plan to form an Incorporated Cemetery Association with deeding the cemetery to the Cemetery Association. A separate survey of church and cemetery may be required. Charge/Church Conference approval is required to deed the cemetery to the Cemetery Association; and
      6) If remaining members are available, conduct a charge or church conference for the purpose of voting to close.
   b. Action to close a local church requires a recommendation from the district superintendent, consent of the presiding bishop, a majority of the district superintendents, a majority of the members of the appropriate district board of church location and building and an affirmative vote of the annual conference. If the annual conference closes a local church, title to all the real and personal, tangible and intangible property of a local church shall immediately vest in the annual conference board of trustees, who shall hold said property for the benefit of the annual conference.
d The district superintendent shall notify the conference board of trustees when a recommendation to close a local church will be made to the annual conference and request the board to have such action affirmed by the annual conference. Superintendents will present resolutions for closing local churches at the corporate session of annual conference.

e The conference board of trustees shall maintain a list of Closed Churches, update the list on a quarterly basis, and provide the list to the cabinet, the district boards of church location and building, the congregational development director, and the Property and Casualty Insurance Committee.

II. Ad Interim Procedures 2549.3

1. At any time between sessions of annual conference, a local church may voluntarily transfer title to all its real and personal, tangible and intangible property to the annual conference board of trustees following the procedures set forth in Paragraph 2540 or Paragraph 2541. In such case, the annual conference board of trustees shall hold or dispose of such property in its sole discretion, subject to any standing rule of the annual conference. When it next meets, the annual conference shall take action to formally close the local church.

2. At any time between the sessions of annual conference, if the presiding bishop, the majority of the district superintendents and the appropriate district board of church location and building all consent, they may, in their sole discretion, declare that exigent circumstances exist that require immediate protection of the local church’s property, for the benefit of the denomination. In such case, title to all real and personal, tangible and intangible property of the local church shall immediately vest in the annual conference board of trustees who may hold or dispose of such property in its sole discretion, subject to any standing rule of the annual conference. Exigent circumstances include, but are not limited to, situations where a local church is no longer used, kept, or maintained by its membership as a place of divine worship of the United Methodist Church. When it next meets, the annual conference shall decide whether “formally to close” the church.

III. The Process for Selling a Closed Church

1. The conference board of trustees and the district superintendent or designee shall cooperate in the sale of closed churches. Initiative may come from either; but the following steps must be followed:
   a. It is recommended, when appropriate, that an independent appraisal be secured, the cost of which shall be deducted from any sale proceeds;
   b. All listing agreements shall include the following wording: “The seller is required by church law (The Book of Discipline of The United Methodist Church) to give consideration to other denominations represented in the Commission on Pan-Methodist Cooperation and Union. The seller reserves the right to reject offers from independent church organizations not connected with the Commission.”;
   c. The conference board of trustees must authorize a proper Agreement of Sale and deed with appropriate signatures;
d. All written offers for purchase must be directed to the conference board of trustees;

e. For an offer to be accepted, the conference board of trustees must give a positive vote to the offer;

f. The conference board of trustees shall request a written statement from the bishop indicating that the *ad interim* sale of a closed church has been executed in conformity to Paragraph 2515; and

g. The conference board of trustees shall report all sales of closed churches in a given year at the annual corporation meeting.

**IV. Distribution of Proceeds from Closed Churches**

1. The conference board of trustees shall distribute the proceeds in keeping with Paragraph 2549.3, Paragraph 2549.7 and conference policy;

2. All proceeds from the sale of closed churches located in non-urban centers, after all financial obligations are satisfied, shall be distributed to the following escrow accounts:
   a. A Conference Closed Property Account, managed by the conference board of trustees. A balance not to exceed $150,000 (cap) shall be maintained in the account for the maintenance and disposal of closed churches. Once the cap in the Closed Property Account is reached, additional proceeds will be distributed evenly between the following accounts:
      (1) Respective District Emerging Ministry Accounts, which are to be used by the district superintendents in consultation with the cabinet;
      (2) Congregational Development: New Church Starts and Congregational Vitalization Account, which is to be used by the Director of Congregational Development, in consultation with the cabinet and any team established to assist in the work of new church starts, congregational vitalization and leadership development.

3. All proceeds from closed churches in urban centers of the Conference (the cities of Altoona, Harrisburg, Scranton, State College, Wilkes-Barre, Williamsport and York), after all financial obligations are satisfied, shall be placed in the respective District Emerging Ministry Account, to be used by the district superintendent in consultation with the cabinet in the Urban Center in which the sold property is located. “Urban Centers” will be defined as cities and contiguous suburbs; and

4. The conference treasurer shall provide regular financial reports to the conference board of trustees and the cabinet on the Conference Closed Property Proceeds Funds with income received and disbursements made for the Closed Property Account, the District Emerging Ministry Accounts, and the Congregational Development Account. The president of the board of trustees shall include the trustee report to the annual conference a financial report on the Conference Closed Churches Property Proceeds Funds.

Approved 05052017