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HEARING DATE: January 31, 2024

BILL: SB0369

TITLE: Property Tax Exemption – Rental Income – Reporting Requirement.

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation supports Senate Bill 369 - Property Tax Exemption – Rental Income – Reporting Requirement. This legislation would require properties that are exempt from real property tax to report any rental income to the Department to be assessed for the value added.

Currently, property tax exemptions are granted to properties for very limited uses as outlined in Chapter 7, Subtitle 2 of the Tax - Property Article. Property that generates rental income is not recognized under current statute as exempt property, however, the Department generally does not conduct real property assessments for properties that are exempt from taxation. By requiring exempt properties to report value-added rental activities, Senate Bill 369 would help local jurisdictions capture missing revenues by making the Department aware of non-exempt properties that are subject to taxation.

Accordingly, the Department requests a **FAVORABLE** report on Senate Bill 369.