

ANTONIO HAYES
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Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Hayes in Support of Senate Bill 760: Property Tax Exemption -
Religious Group or Organization - Third-Party Leases**

March 9, 2022

Dear Chairman Guzzone and Members of the Budget and Taxation Committee,

We have witnessed the misuse of tax exemption laws for religious organizations throughout the country. As per the MD Tax Code § 7-204, property that is owned by a religious entity may not be taxed if the property is used exclusively for (1) public religious worship, (2) parsonage or convent, or (3) educational purposes. Baltimore citizens pay a significant share of the taxes from which those organizations are exempt. Therefore, it would be unfair for any organization to lease their tax-exempt property and gain income, regardless of the work of the lessee. This would set a dangerous precedent. Other religious entities may begin to do the same and further burden our citizens.

Senate Bill 760 protects the state from that misappropriation. It would disallow an exemption of taxes for any part of a religious entity's property that is being leased to another organization. More likely than not, the rent on that leased property would exceed the property tax levied. Thus, the organization would not be financially constrained to pay its dues. Altogether, this bill protects the state and its citizens from unnecessary financial burden.

Thus, I urge a favorable report on Senate Bill 760.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes".

Senator Antonio L. Hayes
40th Legislative District - MD