

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 239 (Delegate Holt. *et al.*)

Ways and Means

Mobile Home and Trailer Park Taxes - Rate Limitation

This bill limits the tax rate that may be assessed by a local government on amounts paid for the rental, leasing, or use of any space, facilities, or accommodations in a trailer park or mobile home court or park, or for the providing of any services by a trailer park or mobile home court or park. The tax rate assessed may not exceed 5%.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Significant decrease in revenues beginning in FY 1999. Expenditures would not be affected. **The bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful impact on small businesses.

Fiscal Analysis

Background: A total of 12 counties assess a tax rate on trailer parks within their jurisdictions; these rates range from 10 to 20%. Seven counties assess a flat rate per trailer space; these amounts range from \$60 to \$240. Five counties do not impose a tax or rate charge on trailer parks, mobile home courts, or mobile home parks.

Local Revenues: Revenues in those counties assessing a tax rate from 10 to 20% would decrease with a rate reduction to 5%. For example, Washington County revenues would decrease by an estimated \$202,000, Garrett County revenues would decrease by \$33,000, and Kent County revenues would decrease by \$10,700 in fiscal 1999.

Small Business Effect: This bill could reduce property taxes for small businesses that own mobile home parks, trailer parks, or mobile homes in those counties with tax rates higher than 5%. Any specific decrease will depend on the number of trailer parks and tax rates in those local jurisdictions.

Information Sources: Prince George's County, Washington County, Worcester County, Town of Bladensburg, City of Rockville, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 1998

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