

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1161
Ways and Means

(Washington County Delegation)

Budget and Taxation

Washington County - Mobile Home Tax - Authorization

This bill alters the type of mobile home tax that Washington County may impose by repealing the authority to impose a tax based on the gross receipts of mobile home parks. Instead, the county is authorized to impose a tax on the assessed value of mobile homes. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: The State Department of Assessments and Taxation (SDAT) can handle assessment responsibilities with existing budgeted resources. Revenues are not affected.

Local Effect: Washington County revenues decrease by approximately \$282,700 annually beginning in FY 2021. County expenditures are not affected.

Small Business Effect: None.

Analysis

Bill Summary: Washington County is authorized to impose a mobile home tax on the assessed value of the mobile home. Property owners must pay the tax to the county office designated by the Washington County Commissioners. A property owner is authorized to collect the tax from the occupant of a mobile home if the occupant rents the mobile home or the property on which the mobile home is located. If the occupant fails to pay the tax at the request of the property owner, the property owner may exercise any right available for nonpayment of rental fees.

SDAT must assess the value of the mobile homes subject to the tax. The imposed tax constitutes a lien on the mobile home and may be collected in the same manner as property taxes.

Washington County is authorized to provide for (1) collection of the tax as of the date of finality for the real property taxes of the property owner; (2) maintenance of records relating to the tax and its collection; (3) other requirements relating to the administration of the tax; and (4) penalties for failure to comply with requirements relating to the tax.

A mobile home is defined as a form of housing that (1) is commonly known as a trailer, house trailer, or manufactured home; (2) is or can be used for residential purposes; and (3) is permanently attached to land or is connected to water, gas, electric, or sewage facilities.

Current Law: Washington County imposes a 15% tax on the gross receipts of mobile home or trailer parks. The Washington County fiscal 2020 budget assumes \$550,000 in revenues from the mobile home tax. **Exhibit 1** shows the local mobile home tax rates and revenue amounts for county governments in Maryland. Currently, 15 counties impose a mobile home tax, with projected revenues totaling \$2.7 million in fiscal 2020. On a per capita basis, Washington County ranks third in the amount of revenue generated from the mobile home tax.

Exhibit 1
Local Mobile Home Park Tax Rates and Revenues

County	Population	County Tax Rates		Revenues FY 2020	Per Capita Revenues	Per Capita Ranking
		FY 2019	FY 2020			
Allegany	70,975	15%	15%	\$62,000	\$0.87	11
Anne Arundel	576,031	0%	0%	0	0.00	
Baltimore City	602,495	0%	0%	0	0.00	
Baltimore	828,431	7%	0%	0	0.00	
Calvert	92,003	20%	20%	120,000	1.30	9
Caroline	33,304	\$15/month	\$15/month	70,000	2.10	6
Carroll	168,429	\$10/month	\$10/month	62,000	0.37	13
Cecil	102,826	\$20/month	\$20/month	460,000	4.47	2
Charles	161,503	\$15/month	\$15/month	44,300	0.27	14
Dorchester	31,998	15%	15%	230,000	7.19	1
Frederick	255,648	0%	0%	0	0.00	
Garrett	29,163	15%	15%	36,000	1.23	10
Harford	253,956	\$10/month	\$10/month	212,000	0.83	12
Howard	323,196	10%	0%	0	0.00	
Kent	19,383	0%	0%	0	0.00	
Montgomery	1,052,567	0%	0%	0	0.00	
Prince George's	909,308	\$5/month	\$5/month	42,000	0.05	15
Queen Anne's	50,251	0%	0%	0	0.00	
St. Mary's	112,664	10%	10%	305,000	2.71	5
Somerset	25,675	0%	0%	0	0.00	
Talbot	36,968	\$50/qtr	\$50/qtr	55,000	1.49	8
Washington	150,926	15%	15%	550,000	3.64	3
Wicomico	103,195	15%	15%	360,000	3.49	4
Worcester	51,823	15%	15%	100,000	1.93	7
Total	6,042,718			\$2,708,300	\$0.45	

Source: Fiscal 2020 County Budget Documents; Department of Legislative Services

Local Fiscal Effect: Washington County revenues decrease by approximately \$282,700 annually beginning in fiscal 2021. The estimate is based on the following:

- the current mobile home tax generates approximately \$550,000 per year;
- the proposed mobile home tax will generate approximately \$267,300 per year;
- there are 940 mobile homes in Washington County;
- the average assessment of a mobile home in Washington County is \$30,000; and
- Washington County's real property tax rate is \$0.948 per \$100 of assessment.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Washington County; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2020
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