

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 588 (Senator Colburn)  
Education, Health, and Environmental Affairs

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**Municipal Corporations - Owners of Rental Housing Properties - Fee on Rental Housing Units**

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This bill authorizes municipal corporations to impose a fee of up to \$100 on the owners of rental housing properties for each rental housing unit.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Potential increase in revenues for municipal corporations that impose this new fee. If all municipal corporations impose the maximum \$100 fee, municipal revenues could increase by \$13.5 million. Expenditures would not be affected.

**Small Business Effect:** Potential meaningful impact on small businesses that own rental housing units in municipal corporations that choose to impose a fee on rental housing.

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**Analysis**

**Current Law:** While municipal corporations do not expressly have the authority to impose a fee on rental housing units, they do have the authority to impose fees for franchises, licenses, or permits for which they are authorized to grant. Additionally, municipal corporations may impose fees associated with the exercise of any governmental or proprietary function.

**Background:** As of the 2000 Census, there were 680,859 rental housing units in Maryland; of which, 639,108 were occupied and 41,751 were vacant. Excluding

Baltimore City, of the total number of rental housing units, 135,274 were located within municipal corporations; of which 123,489 were occupied, and 11,785 were vacant.

There are 156 municipal corporations in Maryland. Baltimore and Howard counties are the only jurisdictions in Maryland that do not have any municipal corporations. In fiscal 2003, municipal corporations statewide had total revenues of \$847.3 million. Baltimore City is not considered a municipal corporation for purposes of this fiscal note.

**Local Fiscal Effect:** The precise amount that municipal revenues would increase as a result of this bill is unknown, as it would depend on the fee set by the municipal corporation as well as the number of rental housing units located in the jurisdiction. Given the variance in size of municipal corporations, the scope of the fiscal impact of this bill would vary considerably. Based on data from the 2000 Census, if all municipal corporations impose the maximum \$100 fee, municipal revenues could increase by \$13.5 million.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Planning, U.S. Census Bureau, Somerset County, Montgomery County, Prince George's County, Frederick County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2005  
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