

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 310 (Senator Kittleman)
Education, Health, and Environmental Affairs

General Assembly - Housing Allowance - Restriction on Use

This bill prohibits a member of the General Assembly from using the member's housing allowance for housing that is more than 50 miles from the State House, unless authorized by the member's presiding officer to do so.

Fiscal Summary

State Effect: Potential minimal increase or decrease in general fund expenditures by the Department of Legislative Services (DLS) to reimburse members of the General Assembly for lodging expenses during annual legislative sessions. The extent to which expenditures change depends on whether members choose to stay in jurisdictions with higher or lower lodging reimbursement rates than Annapolis, as established by the Internal Revenue Service.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under the guidelines established in the Joint Resolution governing General Assembly members' compensation that is currently in effect, members may be reimbursed for in-State travel expenses incurred while engaged in legislative activities in Maryland. Lodging reimbursements must be supported by receipts and are subject to the limits specified by the Internal Revenue Service for Annapolis (currently \$100 per day).

Lodging reimbursement is not treated as taxable income for members who live 50 miles or less from the State House as long as their overnight stay is related to official business. Lodging reimbursement for members who live more than 50 miles from the State House also is not treated as taxable reimbursement, but under separate federal guidelines that require a formal election by members.

Background: DLS advises that it is customary to reimburse members for lodging located only within the immediate Annapolis vicinity. A 50-mile radius from the State House encompasses all or most of 14 counties and Baltimore City, plus half of two additional counties (Carroll and Cecil). Only the four westernmost counties and the three counties that make up the lower Eastern Shore do not fall within the 50-mile radius.

In each of fiscal 2008 and 2009, lodging reimbursements for members during the legislative sessions totaled almost \$1.8 million.

State Fiscal Effect: Under the bill, members of the General Assembly are eligible for reimbursement for lodging in all but seven counties in the State instead of just within the Annapolis area. As a result, some members of the General Assembly may choose lodging that is located outside of the immediate Annapolis area but still within the 50-mile radius. The cost of lodging varies tremendously by region and type. Depending on where members choose to stay, reimbursements paid by DLS may increase or decrease. However, due to the convenience of staying in or near Annapolis during the legislative session, it is not expected that many members will select lodging that is far from the State House.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

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mlm/lgc

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