

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1477

(Washington County Delegation)

Ways and Means

Budget and Taxation

Washington County - Mobile Home Parks and Mobile Home Tax - Revisions and Repeal

This bill repeals provisions of law pertaining to Chapter 435 of 2020, which authorized Washington County to impose a tax on the assessed value of mobile homes rather than on the gross receipts of mobile home parks. **The bill takes effect July 1, 2022, and applies to any mobile home tax imposed by Washington County on or after July 1, 2020.**

Fiscal Summary

State Effect: None.

Local Effect: None. The bill codifies the existing practice in Washington County regarding the collection of mobile home taxes by enabling the county to impose a tax on the gross receipts of mobile home parks rather than on the assessed value of mobile homes.

Small Business Effect: None.

Analysis

Current Law: Chapter 435 altered 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.

Mobile Home Taxes

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.

The State Department of Assessments and Taxation is required to 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) the collection of the tax as of the date of finality for the real property taxes of the property owner; (2) the 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.

Local Fiscal Effect: The bill authorizes Washington County to continue imposing a tax on mobile home parks consistent with the way they were taxed prior to Chapter 435, which was to impose a tax on the gross receipts of mobile home or trailer parks. Washington County advises that the new method of taxing mobile home and trailer parks under Chapter 435 was never implemented by the county. As a result, the bill will not have a fiscal impact on the county. The current tax rate on mobile home and trailer parks is (1) 7.5% if the gross monthly rental for a space is \$266.66; or (2) \$20 if the gross monthly rental for a space is greater than \$266.66. The Washington County fiscal 2022 budget assumes \$250,000 in revenues from the mobile home tax.

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

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