

**TESTIMONY OF
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation
Hearing Date: *April 30, 2025*

LD 1768 – “*An Act to Protect Residents of Mobile Home Parks by Amending the Real Estate Transfer Tax*”

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee – good afternoon, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am testifying at the request of the Administration Neither For Nor Against LD 1768, “*An Act to Protect Residents of Mobile Home Parks by Amending the Real Estate Transfer Tax.*”

While the Administration is neither for nor against this bill, it is important to note the sale of mobile home parks has been the subject of several bills this session and, like many tax issues, the process of using tax expenditures to incentivize the sale of mobile home parks to current residents would be best considered in the context of one consolidated bill in order to ensure the most effective and efficient incentives are chosen and that the total incentive package is sized appropriately.

The Administration notes the following technical concerns with this bill. At the outset, the bill uses, but does not define, the term “mobile home park.” Furthermore, the new RETT exemption included in the bill switches to using the term “mobile housing park,” which is also not defined in the bill or in the referenced Title 10 section. It would be helpful if these terms were consistent and defined.

Without defined terms, it may be difficult for taxpayers, the registries, and MRS to determine whether a conveyance was made “pursuant to” the referenced Title 10 section and is therefore eligible for the RETT exemption.

An estimate of the fiscal costs associated with this bill is unavailable at this time. However, the bill will likely incur a small fiscal cost due to a reduction in RETT revenue stemming from the new exemption. An estimate of the administrative costs is similarly unavailable at this time, but the bill will incur administrative costs to amend the RETT return and reprogram the filing system.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee’s questions.