
By: ~~Delegate Edwards~~ Delegates Edwards, Healey, and Cryor

Introduced and read first time: February 7, 1996

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 20, 1996

CHAPTER ____

1 AN ACT concerning

2 **Property Tax Exemption for Coal Pollution Control Facilities and Coal Waste Disposal**

3 **Power Projects**

4 [TAG ftpo]FOR the purpose of providing a partial property tax exemption for certain certified coal
5 pollution control facilities and coal waste disposal power projects placed in service
6 on or after a certain date; providing for the reduction of the partial property tax
7 exemption by a certain value under certain circumstances; requiring the
8 Department of Assessments and Taxation to adopt certain regulations; defining
9 certain terms; and generally relating to a partial property tax exemption for certified
10 coal pollution control facilities and coal waste disposal power projects.

11 BY adding to

12 Article - Tax - Property

13 Section 7-238

14 Annotated Code of Maryland

15 (1994 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Tax - Property**

19 7-238.

20 (A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS

21 INDICATED.

22 (1) "CERTIFIED COAL POLLUTION CONTROL FACILITY" MEANS

23 PROPERTY THAT:

1 (I) IS USED ~~PRIMARILY~~ FOR THE PURPOSE OF ~~ABATING OR~~
2 ~~REDUCING WATER OR AIR POLLUTION OR CONTAMINATION~~ CONTROLLING
3 EMISSIONS OF POLLUTANTS INTO THE AIR, GROUND, OR WATERS OF THE STATE,
4 RESULTING FROM THE USE OF COAL AT AN ELECTRICAL GENERATION FACILITY, ~~BY~~
5 ~~REMOVING, ALTERING, DISPOSING, TREATING, STORING, DISPERSING, OR~~
6 ~~PREVENTING THE CREATION OR EMISSION OF POLLUTANTS, CONTAMINANTS,~~
7 ~~WASTES, OR HEAT IN COMPLIANCE WITH~~ TO ACHIEVE AIR OR QUALITY STANDARDS,
8 WATER QUALITY STANDARDS, OR EFFLUENT STANDARDS PRESCRIBED UNDER THE
9 LAWS OR REGULATIONS OF THE STATE OR THE UNITED STATES; AND

10 (II) HAS BEEN CERTIFIED BY THE DEPARTMENT OF THE
11 ENVIRONMENT AS ~~CONFORMING TO STATE REQUIREMENTS FOR ABATEMENT OR~~
12 ~~CONTROL OF WATER OR AIR POLLUTION OR CONTAMINATION~~ MEETING
13 APPLICABLE FEDERAL AND STATE PERMIT REQUIREMENTS.

14 (2) "COAL WASTE DISPOSAL POWER PROJECT" MEANS AN ELECTRICAL
15 GENERATION FACILITY DESIGNED, CONSTRUCTED, AND INSTALLED TO RECLAIM,
16 BURN, AND DISPOSE OF COAL WASTES IN COMPLIANCE WITH APPLICABLE FEDERAL
17 AND STATE AIR ~~AND~~ QUALITY, WATER QUALITY, AND EFFLUENT STANDARDS.

18 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, PROPERTY IS
19 SUBJECT TO A PARTIAL EXEMPTION FROM PROPERTY TAX AS PROVIDED IN THIS
20 SECTION IF THE PROPERTY IS:

21 (1) A CERTIFIED COAL POLLUTION CONTROL FACILITY; OR

22 (2) A COAL WASTE DISPOSAL POWER PROJECT.

23 (C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE PARTIAL EXEMPTION
24 GRANTED UNDER THIS SECTION:

25 (1) IS EQUAL TO 95% OF THE ASSESSMENT OF THE PROPERTY; AND

26 (2) SHALL APPLY ONLY TO PROPERTY PLACED IN SERVICE AS A PART
27 OF A CERTIFIED COAL POLLUTION CONTROL FACILITY OR A COAL WASTE DISPOSAL
28 POWER PROJECT, FOR WHICH ALL NECESSARY PERMITS, INCLUDING A CERTIFICATE
29 OF PUBLIC CONVENIENCE AND NECESSITY, ARE ISSUED ON OR AFTER JANUARY 1,
30 1997.

31 (D) IF A CERTIFIED COAL POLLUTION CONTROL FACILITY PRODUCES A
32 PROFITABLE BY-PRODUCT OR IF A PART OF THE FACILITY IS REQUIRED FOR THE
33 OPERATION OF THE BUSINESS WITHOUT REGARD TO STATE AND FEDERAL AIR ~~AND~~
34 QUALITY, WATER QUALITY, AND EFFLUENT REQUIREMENTS, THE PARTIAL
35 EXEMPTION UNDER THIS SECTION APPLIES ONLY TO THAT PORTION OF THE VALUE
36 OF THE FACILITY ATTRIBUTABLE TO POLLUTION CONTROL ACTIVITY.

37 (E) IF A CERTIFIED COAL POLLUTION CONTROL FACILITY INCLUDES THE
38 REPLACEMENT, REPAIR, OR RETROFIT OF EQUIPMENT THAT WAS SUBJECT TO
39 PROPERTY TAX ON OR BEFORE DECEMBER 31, 1996, THE PARTIAL EXEMPTION
40 UNDER THIS SECTION SHALL BE REDUCED BY THE REPLACEMENT VALUE OF
41 EXISTING EQUIPMENT THAT IS REPLACED.

3

1 ~~(E)~~ (F) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO
2 ADMINISTER THE EXEMPTION UNDER THIS SECTION.

3 (2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL
4 PROVIDE FOR THE METHOD FOR ALLOCATION OF VALUES REQUIRED UNDER
5 ~~SUBSECTION (D)~~ SUBSECTIONS (D) AND (E) OF THIS SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 1996.