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HB 338/95 - W&M

1996 Regular Session
6lr2384

By: Senators Boozer and Munson

Introduced and read first time: February 2, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Railroad Operating Property**

3 FOR the purpose of altering the method of assessment of railroad operating property for
4 property tax purposes; and declaring the intent of the General Assembly.

5 BY repealing and reenacting, with amendments,

6 Article - Tax - Property

7 Section 8-108

8 Annotated Code of Maryland

9 (1994 Replacement Volume and 1995 Supplement)

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

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

12 **Article - Tax - Property**

13 8-108.

14 (a) The Department shall annually value the operating unit of a railroad on the
15 basis of the value of the operating property of the railroad, by considering:

16 (1) the earning capacity of the operating unit; and

17 (2) all other factors relevant to a determination of the value of the operating
18 unit.

19 (b) The Department shall allocate to this State the value of that part of the
20 operating unit that is reasonably attributable to the part located in this State.

21 (c) (1) The value allocated to this State shall be divided into an operating real
22 property value and an operating personal property value, as determined by the
23 Department.

24 (2) (I) The assessment of operating real property is the value of operating
25 real property, adjusted by § 8-103(c) of this title, less:

26 [(i)] 1. the assessment of operating land; and

27 [(ii)] 2. the assessment of operating real property, if any, that is
28 exempt by law from property tax.

1 (II) IF THE DEDUCTIONS UNDER SUBPARAGRAPH (I) OF THIS
2 PARAGRAPH EXCEED THE ASSESSMENT OF OPERATING REAL PROPERTY, THE FULL
3 MARKET VALUE OF THAT EXCESS SHALL BE DEDUCTED FROM THE OPERATING
4 PERSONAL PROPERTY ASSESSMENT.

5 (3) The assessment of operating personal property is the value of operating
6 personal property, less the assessment of operating personal property, if any, that is
7 exempt by law from property tax.

8 (4) Operating land of a railroad is valued and assessed as the land adjacent
9 to the railroad's operating land is valued and assessed.

10 (5) Except for the assessment of operating land, returns, notices, and
11 appeals of operating property assessments shall be administered pursuant to the sections
12 of this article governing personal property assessment.

13 (d) (1) If operating property is located permanently in more than 1 county or
14 municipal corporation, the Department shall apportion the assessment of that operating
15 property among the counties and municipal corporations where the operating property is
16 located.

17 (2) If operating property is not located permanently in a county or a
18 municipal corporation, the Department shall apportion the assessment of that operating
19 property among the counties and municipal corporations on the basis of the ratio of
20 [the] all track mileage, excluding trackage rights, of the railroad operated in each county
21 and any municipal corporation, to the total of all track mileage, excluding trackage rights,
22 operated in this State.

23 (e) The Department may adopt regulations to carry out the provisions of this
24 section.

25 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
26 General Assembly that enactment of this Act address an inequity in the law and prevent
27 double taxation on certain Maryland taxpayers.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 1996.