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HB 338/95 - W&M

1996 Regular Session  
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**By: Senators Boozer and Munson**

Introduced and read first time: February 2, 1996  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 19, 1996

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CHAPTER \_\_\_\_

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; providing for a delayed effective date of this Act; providing  
5 for the application of this Act; and declaring the intent of the General Assembly.

6 BY repealing and reenacting, with amendments,  
7 Article - Tax - Property  
8 Section 8-108  
9 Annotated Code of Maryland  
10 (1994 Replacement Volume and 1995 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Tax - Property**

14 8-108.

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

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

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

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

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

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

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

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

9 (II) IF THE DEDUCTIONS UNDER SUBPARAGRAPH (I) OF THIS  
10 PARAGRAPH EXCEED THE ASSESSMENT OF OPERATING REAL PROPERTY, ~~THE FULL~~  
11 ~~MARKET VALUE OF THAT~~ ANY EXCESS SHALL BE DEDUCTED FROM THE OPERATING  
12 PERSONAL PROPERTY ASSESSMENT.

13 (3) The assessment of operating personal property is the value of operating  
14 personal property, less the assessment of operating personal property, if any, that is  
15 exempt by law from property tax.

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

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

21 (d) (1) If operating property is located permanently in more than 1 county or  
22 municipal corporation, the Department shall apportion the assessment of that operating  
23 property among the counties and municipal corporations where the operating property is  
24 located.

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

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

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

36 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 July 1, ~~1996~~ 1997 and be applicable to taxable years beginning on or after that date.

