

By: **Senator Baker**

Introduced and read first time: January 15, 2001

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 14, 2001

CHAPTER_____

1 AN ACT concerning

2 **Cecil County - Property Tax - Payment in Lieu of Taxes - Electricity**
3 **Generation Facility**

4 FOR the purpose of authorizing the governing body of Cecil County to enter into an
5 agreement with the owner of a facility for the generation of electricity that
6 locates in Cecil County for a negotiated payment by the owner in lieu of county
7 property tax on the facility; providing that the real and personal property at a
8 facility for the generation of electricity that locates or expands in Cecil County is
9 exempt from Cecil County property tax as specified in a payment in lieu of taxes
10 agreement between Cecil County and the owner of the facility; requiring a
11 certain assessment to be included in the assessable base of Cecil County for
12 purposes of calculating the payment of certain State aid; providing for the
13 application of this Act; and generally relating to authorization for the governing
14 body of Cecil County to enter into an agreement with the owner of a facility for
15 the generation of electricity that locates in Cecil County for a negotiated
16 payment by the owner in lieu of county property tax on the facility.

17 BY adding to
18 Article - Tax - Property
19 Section 7-512
20 Annotated Code of Maryland
21 (1994 Replacement Volume and 2000 Supplement)

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

1

Article - Tax - Property

2 7-512.

3 (A) (1) THE GOVERNING BODY OF CECIL COUNTY MAY ENTER INTO AN
4 AGREEMENT WITH THE OWNER OF A FACILITY FOR THE GENERATION OF
5 ELECTRICITY THAT LOCATES IN CECIL COUNTY FOR A NEGOTIATED PAYMENT BY
6 THE OWNER IN LIEU OF TAXES ON THE FACILITY.

7 (2) AN AGREEMENT FOR A NEGOTIATED PAYMENT IN LIEU OF TAXES
8 UNDER THIS SECTION SHALL PROVIDE THAT, FOR THE TERM SPECIFIED IN THE
9 AGREEMENT:

10 (I) THE OWNER SHALL PAY TO CECIL COUNTY A SPECIFIED
11 AMOUNT EACH YEAR IN LIEU OF THE PAYMENT OF CECIL COUNTY PROPERTY TAX;
12 AND

13 (II) ALL OR A SPECIFIED PART OF THE REAL AND PERSONAL
14 PROPERTY AT THE FACILITY SHALL BE EXEMPT FROM CECIL COUNTY PROPERTY TAX
15 FOR THE TERM OF THE AGREEMENT.

16 (B) AS SPECIFIED IN AN AGREEMENT FOR A NEGOTIATED PAYMENT IN LIEU
17 OF TAXES UNDER THIS SECTION, FOR THE TERM SPECIFIED IN THE AGREEMENT,
18 THE REAL AND PERSONAL PROPERTY AT A FACILITY FOR THE GENERATION OF
19 ELECTRICITY THAT LOCATES IN CECIL COUNTY IS EXEMPT FROM CECIL COUNTY
20 PROPERTY TAX.

21 (C) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, THE
22 ASSESSMENT OF ANY PROPERTY EXEMPTED UNDER THIS SECTION SHALL BE
23 INCLUDED IN THE ASSESSABLE BASE OF CECIL COUNTY FOR THE PURPOSE OF
24 COMPUTING ANY STATE AID TO EDUCATION UNDER § 5-202 OF THE EDUCATION
25 ARTICLE OR OTHER PAYMENTS OF STATE AID TO THE COUNTY THAT BY LAW ARE
26 BASED ON THE ASSESSMENT OF PROPERTY.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2001, and shall be applicable to the calculations of any payments of State aid
29 for the fiscal year that begins July 1, 2001, and for each subsequent fiscal year.