

SENATE BILL 101

Unofficial Copy
Q1

2003 Regular Session
3lr0116

By: **Chairman, Budget and Taxation Committee (By Request -
Departmental - Assessments and Taxation)**

Introduced and read first time: January 22, 2003

Rules suspended

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Railroads and Public Utilities - Operating Real Property**

3 FOR the purpose of altering the definition of operating real property of railroads and
4 public utilities for purposes of property taxation; altering certain definitions;
5 providing for the effective date and application of this Act; and generally
6 relating to the taxation of property of railroads and public utilities.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - Property
9 Section 1-101(u)
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2002 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article - Tax - Property
14 Section 1-101(a), (aa-1), and (cc)
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2002 Supplement)

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

19 **Article - Tax - Property**

20 1-101.

21 (a) In this article the following words have the meanings indicated.

22 (u) (1) "Operating property" means any property used to operate a railroad
23 or public utility.

24 (2) "Operating property" includes operating real property and operating
25 personal property.

1 (3) "Operating real property" [includes] MEANS any real property used
2 to operate a railroad or public utility.

3 (4) "OPERATING REAL PROPERTY" INCLUDES:

4 (I) A SYSTEM OF PROPERTY FIRMLY POSITIONED IN A PATHWAY
5 AND CAPABLE OF LONG TERM USE FOR THE TRANSPORTATION, STORAGE, OR
6 DISTRIBUTION OF A PRODUCT;

7 (II) THE INTERESTS IN THE REAL PROPERTY THAT FORM THE
8 PATHWAY; AND

9 (III) PIPELINES AND TANKS.

10 [(4)] (5) "Operating land" means any land used to operate a railroad or
11 public utility.

12 [(5)] (6) (i) "Operating personal property" [includes] MEANS any
13 property, other than real property, used to operate a railroad or public utility.

14 (ii) [For a public utility, "operating] "OPERATING personal
15 property" includes cables, lines, poles, and towers.

16 (aa-1) (1) "Public utility" means a company classified by the Department
17 as a public utility under § 8-109 of this article.

18 (2) "Public utility" includes:

19 (i) an electric company;

20 (ii) a gas company;

21 (iii) a pipeline company;

22 (iv) a sewage disposal company;

23 (v) a steam heating company;

24 (vi) a telephone company; and

25 (vii) a water company.

26 (3) "Public utility" does not include:

27 (i) a cable television company;

28 (ii) a cellular telephone company;

29 (iii) a cogenerator;

30 (iv) an exempt wholesale generator;

- 1 (v) an independent power producer;
- 2 (vi) a small power producer; or
- 3 (vii) a utility owned by a county or municipal corporation.
- 4 (cc) (1) "Real property" means any land or improvements to land.
- 5 (2) "Real property" includes:
- 6 (i) a leasehold or other limited interest in real property; and
- 7 (ii) an easement.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
9 applicable to any amended reports filed under § 11-103 of the Tax - Property Article
10 after January 1, 2003.

11 SECTION 3. AND BE IT FURTHER ENACTED, That, except as provided in
12 Section 2 of this Act, this Act shall take effect June 1, 2003 and be applicable to all
13 taxable years beginning after June 30, 2003.