

SENATE BILL 656

Q2

3lr2829
CF 3lr1876

By: **Senator Miller**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Calvert County – Property Tax – Natural Gas Facility**

3 FOR the purpose of authorizing the governing body of Calvert County to enter into a
4 payment in lieu of taxes agreement with the owner of a facility for the
5 liquefaction of natural gas; requiring an agreement for payment in lieu of taxes
6 to include certain provisions; providing that certain property of the owner of a
7 natural gas facility is exempt from county property tax as provided in a
8 payment in lieu of taxes agreement; requiring a certain supervisor to assess
9 certain property of a facility that is subject to a payment in lieu of taxes
10 agreement on the request of the governing body of Calvert County; authorizing
11 the governing body of Calvert County to grant a credit against the county
12 property tax imposed on certain property of an expanding or new business
13 engaged in the liquefaction of natural gas; providing for the application of this
14 Act; and generally relating to authorizing property tax relief for a natural gas
15 facility in Calvert County.

16 BY adding to
17 Article – Tax – Property
18 Section 7–517
19 Annotated Code of Maryland
20 (2012 Replacement Volume)

21 BY repealing and reenacting, with amendments,
22 Article – Tax – Property
23 Section 9–306(g)
24 Annotated Code of Maryland
25 (2012 Replacement Volume)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1

Article – Tax – Property2 **7-517.**

3 **(A) THE GOVERNING BODY OF CALVERT COUNTY MAY ENTER INTO AN**
4 **AGREEMENT WITH THE OWNER OF A FACILITY FOR THE LIQUEFACTION OF**
5 **NATURAL GAS THAT IS LOCATED OR LOCATES IN THE COUNTY FOR A**
6 **NEGOTIATED PAYMENT BY THE OWNER IN LIEU OF TAXES ON THE FACILITY.**

7 **(B) 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 **(1) THE OWNER SHALL PAY TO THE COUNTY A SPECIFIED AMOUNT**
11 **EACH YEAR IN LIEU OF THE PAYMENT OF COUNTY REAL, OPERATING REAL,**
12 **PERSONAL, OR OPERATING PERSONAL PROPERTY TAX; AND**

13 **(2) ALL OR A SPECIFIED PART OF THE REAL, OPERATING REAL,**
14 **PERSONAL, OR OPERATING PERSONAL PROPERTY AT THE FACILITY SHALL BE**
15 **EXEMPT FROM COUNTY PROPERTY TAX FOR THE TERM OF THE AGREEMENT.**

16 **(C) AS SPECIFIED IN AN AGREEMENT FOR A NEGOTIATED PAYMENT IN**
17 **LIEU OF TAXES UNDER THIS SECTION, FOR THE TERM SPECIFIED IN THE**
18 **AGREEMENT, THE REAL, OPERATING REAL, PERSONAL, OR OPERATING**
19 **PERSONAL PROPERTY AT A FACILITY FOR THE LIQUEFACTION OF NATURAL GAS**
20 **THAT IS LOCATED OR LOCATES IN THE COUNTY IS EXEMPT FROM COUNTY**
21 **PROPERTY TAX.**

22 **(D) ON THE WRITTEN REQUEST OF THE GOVERNING BODY OF CALVERT**
23 **COUNTY, THE SUPERVISOR SHALL ASSESS THE REAL, OPERATING REAL,**
24 **PERSONAL, OR OPERATING PERSONAL PROPERTY OF THE OWNER OF A FACILITY**
25 **FOR THE LIQUEFACTION OF NATURAL GAS WITH WHOM THE COUNTY HAS**
26 **ENTERED INTO A PAYMENT IN LIEU OF TAXES AGREEMENT UNDER THIS**
27 **SECTION.**

28 **9-306.**

29 **(g) (1) (i) Subject to subparagraph (ii) of this paragraph, the governing**
30 **body of Calvert County may grant, by law, a property tax credit under this section**
31 **against the county property tax imposed on real property owned by an expanding or**
32 **new business that:**

33 **1. employs at least 25 new additional full-time**
34 **employees, the salaries for which must be greater than the county annual average**

1 salary in the economic development target market sector, as determined by the
2 county; and

3 2. acquires at least \$2,500,000 in land, improvements to
4 the land, or equipment in the county.

5 (ii) If the expanding or new business is engaged in the
6 generation of electricity **OR LIQUEFACTION OF NATURAL GAS**, the credit under this
7 section may be granted against the county property tax imposed on personal property
8 **[and], OPERATING PERSONAL PROPERTY**, real property, **OR OPERATING REAL**
9 **PROPERTY** owned by the expanding or new business.

10 (2) The tax credit under this section shall be granted to:

11 (i) a business that owns the land and building it occupies
12 within the county; or

13 (ii) any party responsible for paying the real property taxes on
14 all or part of the land or building.

15 (3) The amount of the credit may not exceed 50% of the amount of
16 property tax due in any taxable year.

17 (4) The governing body of Calvert County may define, fix, or limit the
18 amount, terms, scope, and duration of any credit provided for or affirmed under this
19 subsection.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,
22 2013.