

Chapter 516

(Senate Bill 656)

AN ACT concerning

Calvert County – Property Tax – Natural Gas Facility

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

BY adding to

Article – Tax – Property
Section 7–517
Annotated Code of Maryland
(2012 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 9–306(g)
Annotated Code of Maryland
(2012 Replacement Volume)

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

Article – Tax – Property

7–517.

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

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

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

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

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

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

9-306.

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

1. employs at least 25 new additional full-time employees, the salaries for which must be greater than the county annual average salary in the economic development target market sector, as determined by the county; and

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

(ii) If the expanding or new business is engaged in the generation of electricity **OR LIQUEFACTION OF NATURAL GAS**, the credit under this

section may be granted against the county property tax imposed on personal property [and], **OPERATING PERSONAL PROPERTY**, real property, **OR OPERATING REAL PROPERTY** owned by the expanding or new business.

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

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

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

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

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

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

Approved by the Governor, May 16, 2013.