

Expedited Bill No. 22-13
Concerning: Taxation – Fuel Energy Tax
Revised: 7-23-14 Draft No. 3
Introduced: July 9, 2013
Enacted: July 29, 2014
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive and Councilmember Leventhal

AN EXPEDITED ACT to:

- (1) exempt energy that is generated from certain renewable energy sources from the fuel energy tax; and
- (2) generally amend County law regarding the fuel energy tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-14

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-14 is amended as follows:**

2 **52-14. Fuel-energy tax.**

3 (a) (1) A tax is levied and imposed on every person transmitting,
4 distributing, manufacturing, producing, or supplying electricity,
5 gas, steam, coal, fuel oil, or liquefied petroleum gas in the
6 County.

7 (2) The County Council must set the rates for various forms of fuel
8 and energy by a resolution adopted [according to the
9 requirements of] under Section 52-17(c). The Council may, from
10 time to time, revise, amend, increase, or decrease the rates,
11 including [establishing] setting different rates for fuel or energy
12 delivered for different categories of final consumption, such as
13 residential or agricultural use. [The rates] Each rate must be
14 based on a weight or other unit of measure regularly used [by
15 such persons] in the conduct of [their] business. The rate for each
16 form of fuel or energy should impose an equal or substantially
17 equal tax on the equivalent energy content of each form of fuel or
18 energy for a particular category of use.

19 (3) The tax does not apply to the transmission or distribution of
20 electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas in
21 interstate commerce through the County if the tax would exceed
22 the taxing power of the County under the United States
23 Constitution. The tax does not apply to fuel or energy converted
24 to another form of energy that will be subject to a tax under this
25 Section. The tax must not be imposed at more than one point in
26 the transmission, distribution, manufacture, production, or supply
27 system. The rates of tax apply to the quantities measured at the

28 point of delivery for final consumption in the County. For an
29 electric company (as defined in state law), the rates of tax apply
30 to the net consumption that is used to calculate each consumer
31 bill.

- 32 (4) The tax does not apply to energy that is generated from a
33 renewable source in the County and [[delivered to or used by an
34 end user in the County]] either used on the site where it is
35 generated or subject to a net energy metering agreement (as
36 defined in state law) with a public utility. Renewable source
37 means a “Tier 1 renewable source” as defined in Section 7-701(l)
38 of the Public Utilities Article of the Maryland Code or any
39 successor provision.

40 * * *

41 **Sec. 2. Expedited effective date; applicability.**

- 42 (a) The Council declares that this legislation is necessary for the immediate
43 protection of the public interest. This Act takes effect on the date when
44 it becomes law.
- 45 (b) This Act applies to energy delivered before or after this Act takes effect.

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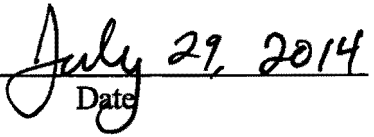
47 *Approved:*

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Craig L. Rice, President, County Council



Date

50 *Approved:*

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52

Isiah Leggett, County Executive

Date

53 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date