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

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

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

52-14. Fuel-energy tax.

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

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

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

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

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

* * *

Sec. 2. Expedited effective date; applicability.

(a) The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law.

(b) This Act applies to energy delivered before or after this Act takes effect.

Approved:

July 29, 2014

Craig L. Rice, President, County Council | Date

Approved:

Isiah Leggett, County Executive | Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council | Date