

“During the period of expiration and the period of active production of gas, the tax hereby imposed is *in lieu of all other taxes* upon the gas, the property rights attached thereto or inherent therein, and the values created thereby, upon all leases or rights to develop and operate any lands for gas, the values created thereby and the property right attached thereto or inherent therein. After the period of active production of gas and during such times as no gas is being produced, the general property tax laws shall prevail as to all property rights and values.” (emphasis supplied)

Article 15 of the Maryland Declaration of Rights states in pertinent part that:

“. . . the General Assembly shall, by uniform rules, provide for the separate assessment, classification and subclassification of land, improvements on land and personal property, as it may deem proper; and all taxes thereafter provided to be levied by the State for the support of the general State Government, and by the Counties and by the City of Baltimore for their respective purposes, shall be uniform within each class or subclass of land, improvements on land and personal property which the respective taxing powers may have directed to be subjected to the tax levy; yet fines, duties or taxes may properly and justly be imposed, or laid with a political view for the good government and benefit of the community.”

The object of this article is to provide equality in taxation, and to prevent, as far as possible, the burden of supporting the government from falling upon some individuals, to the exclusion or exemption of others. *Baltimore City v. Starr Church*, 106 Md. 281.

The Constitution of Maryland and the Federal Constitution do not prevent the creation of an exemption so long as it applies equally to all in a class, *Williams v. Mayor and City Council of Baltimore*, 289 U.S. 36, and the Legislature can exempt certain classes of persons or corporations from the payment of taxes upon certain species of property where the discrimination is founded upon public policy or a reasonable distinction, and does not amount to an arbitrary distinction, *Mayor and City Council of Baltimore v. German-American Fire Insurance Co.*, 132 Md. 380. The constitutional requirement, however, is violated wherever particular persons or properties, selected arbitrarily from a class on which the burden of taxation is imposed, have been exempted therefrom. *Williams v. Mayor and City Council of Baltimore*, *supra*; *Baltimore City v. Starr Church*, *supra*.

It is our opinion that House Bill 387 creates an exemption from State taxation of gas and gas producing properties in one county and such an exemption is not pursuant to any public policy, either enunciated or implied, and is, therefore, discriminatory. Factually, the bill would create a situation where taxpayers of gas and gas producing properties in Allegany County are afforded favorable tax treatment which would not be available to taxpayers in other counties of the State. The converse of this situation existed in *Casey Development Corp. v. Montgomery County*, 212 Md. 138, where the Court of Appeals held unconstitutional a provision of the Montgomery County Code which required improvements on land which became substantially completed between July 1 and September 30 in each year to be subject to taxation at  $\frac{3}{4}$  of the regular rate levied that year for State purposes. In striking down the provision as violative of Article 15 of the Declaration of Rights the Court said: