

(c) [(1) From the value allocated to this State under subsection (b) of this section, the Department shall deduct:

- (i) the assessment of operating land; and
- (ii) the assessment of operating property, if any, that is exempt by law from property tax.

(2) The value remaining after making the deductions is the assessment of the operating property of a railroad.]

(1) THE VALUE ALLOCATED TO THIS STATE SHALL BE DIVIDED INTO AN OPERATING REAL PROPERTY VALUE AND AN OPERATING PERSONAL PROPERTY VALUE, AS DETERMINED BY THE DEPARTMENT.

(2) THE ASSESSMENT OF OPERATING REAL PROPERTY IS THE VALUE OF OPERATING REAL PROPERTY, ADJUSTED BY § 8-103(C) OF THIS TITLE, LESS:

- (I) THE ASSESSMENT OF OPERATING LAND; AND
- (II) THE ASSESSMENT OF OPERATING REAL PROPERTY, IF ANY, THAT IS EXEMPT BY LAW FROM PROPERTY TAX.

(3) THE ASSESSMENT OF OPERATING PERSONAL PROPERTY IS THE VALUE OF OPERATING PERSONAL PROPERTY, LESS THE ASSESSMENT OF OPERATING PERSONAL PROPERTY, IF ANY, THAT IS EXEMPT BY LAW FROM PROPERTY TAX.

[(3)](4) Operating land of a railroad is valued and assessed as the land adjacent to the railroad's operating land is valued and assessed.

[(4) The provisions of this subsection are not intended to alter the law as codified in former Article 81 of the Code that was in effect as of January 31, 1986.]

(5) EXCEPT FOR THE ASSESSMENT OF OPERATING LAND, RETURNS, NOTICES, AND APPEALS OF OPERATING PROPERTY ASSESSMENTS SHALL BE ADMINISTERED PURSUANT TO THE SECTIONS OF THIS ARTICLE GOVERNING PERSONAL PROPERTY ASSESSMENT.

8-109.

(a) The Department shall ANNUALLY value the operating unit of a public utility on the basis of the value of the operating property of the public utility, by considering:

- (1) the earning capacity of the operating unit; and
- (2) all other factors relevant to a determination of value of the operating unit.

(b) The Department shall allocate to this State the value of that part of the operating unit that is reasonably attributable to the part located in this State.

(c) (1) From the value allocated to this State under subsection (b) of this section, the Department shall deduct: