

COUNTY COUNCIL  
OF  
WICOMICO COUNTY, MARYLAND

BILL NO. 2007-1

INTRODUCED BY: Council at request of Executive Legislative Day No. 07-03  
Date: February 6, 2007

AN ACT to amend Chapter 90, titled "Tax Exemptions," to add a new Section 90-6, entitled "Arts and Entertainment Property Tax Credit" establishing an Arts and Entertainment District property tax credit under certain circumstances.

Introduced, read first time, ordered posted and public hearing scheduled on: March 6, 2007  
Time: 10:30 am Location: Council Chambers

**PUBLIC HEARING:** Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on March 6, 2007 and concluded on, March 6, 2007.

  
\_\_\_\_\_  
Council Administrator

**CERTIFICATION**

The undersigned hereby certifies that this Bill was Approved and Adopted by the County Council of Wicomico County, Maryland, on the 3<sup>rd</sup> day of April, 2007.

  
\_\_\_\_\_  
Council Administrator

Presented to the County Executive for approval this 9<sup>th</sup> day of April, 2007 at 8:30 a.m. (5 days §411)

  
\_\_\_\_\_  
Council Administrator

**BY THE EXECUTIVE:**

  
\_\_\_\_\_  
County Executive

APPROVED Date: 4/10/07

(21 days §411)

VETOED Date:


**EFFECTIVE DATE:** This Bill having been approved by the County Executive and returned to the Council, becomes law on 4-10-07 and effective on: 6-9-07  
(60 days §311)

**ENROLLMENT:** Legislative Bill No. 2007-1 is herewith submitted to the County Council of Wicomico County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

ENROLLED

  
\_\_\_\_\_  
Council Administrator  
Date: 4/13/07

  
\_\_\_\_\_  
Council President  
Date: 4/13/07

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND  
LEGISLATIVE SESSION, 2007  
BILL NO. 2007-01

Introduced: February 6, 2007

BY: Mr. Cannon, Mrs. Prettyman, Mr. McCain, Mrs. Sample-Hughes, Mrs. Bartkovich,  
Mr. MacLeod and Mr. Holloway.

**AN ACT** to amend Chapter 90, titled "Tax Exemptions," to add a new Section 90-6, entitled "Arts and Entertainment Property Tax Credit " establishing an Arts and Entertainment District property tax credit under certain circumstances.

PREAMBLE

State law authorizes the Secretary of the Maryland Department of Business and Economic Development ("DBED") to designate arts and entertainment districts within the State.

An Arts and Entertainment District is a geographically designated area in which a high concentration of arts and entertainment facilities serve as an anchor attraction. The intent of the District is to stimulate neighborhood revitalization, improve the attractiveness and safety of areas, stimulate business activity (particularly in the evenings and on weekends), attract residents and visitors and build the tax base.

A diverse group of citizens and entities representing arts, entertainment, tourist and economic development interest within Wicomico County and the City of Salisbury, made an application to DBED requesting the creation of an Arts and Entertainment District in a designated downtown portion of the City of Salisbury, to take effect on July 1, 2007 and to extend for a period of six (6) years.

The City adopted Resolution No. 1433 on August 14, 2006 supporting the application to establish the District.

By Resolution 614 dated September 5, 2006, the County Council of Wicomico County, Maryland endorsed the application to request the designation of the District and, in the event the State designated the District, to consider the adoption of a County property tax credit program within the District in accordance with the Maryland Annotated Code, Tax Property Article, § 9-240.

The State of Maryland has designated the District as an Arts and Entertainment District to be effective July 1, 2007.

The tax incentives available upon the designation of an Arts & Entertainment District include: (i) an income tax subtraction modification for qualifying residing artists under § 10-207(v) of the Tax - General Article; (ii) a property tax credit under § 9-240 of the Tax -

**SECTION I.** BE IT ENACTED AND ORDAINED BY THE COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND, IN LEGISLATIVE SESSION, that Chapter 90, of the Code of Wicomico County, Maryland, titled "Tax Exemptions," be amended to add a new Section 90-6, entitled "Arts and Entertainment Property Tax Credit " to read as follows:

Chapter 90  
Tax Exemptions

§90-6. ARTS AND ENTERTAINMENT PROPERTY TAX CREDIT

- A. ESTABLISHMENT. THE SALISBURY ARTS AND ENTERTAINMENT PROPERTY TAX CREDIT IS HEREBY ESTABLISHED.
- B. BOUNDARIES. THE BOUNDARIES OF THE SALISBURY ARTS AND ENTERTAINMENT DISTRICT ARE SHOWN ON A MAP THAT IS ON FILE IN THE OFFICE OF THE COUNTY COUNCIL AND A COPY OF THE MAP IS ATTACHED TO AND MADE A PART OF THIS LEGISLATION AS EXHIBIT A.
- C. CREDIT GRANTED.
1. IN ACCORDANCE WITH STATE TAX-PROPERTY ARTICLE § 9-240, A REAL PROPERTY TAX CREDIT IS GRANTED AGAINST THE COUNTY REAL PROPERTY TAX IMPOSED ON A MANUFACTURING, COMMERCIAL, OR INDUSTRIAL BUILDING THAT:
    - (A) IS LOCATED IN THE SALISBURY ARTS AND ENTERTAINMENT DISTRICT; AND
    - (B) IS WHOLLY OR PARTIALLY CONSTRUCTED OR RENOVATED TO BE CAPABLE FOR USE BY A QUALIFYING RESIDING ARTIST OR AN ARTS AND ENTERTAINMENT ENTERPRISE.
  2. THE CREDIT IS PRORATED TO REFLECT THE PROPORTION OF THE BUILDING USED BY A QUALIFYING RESIDING ARTIST OR AN ARTS AND ENTERTAINMENT ENTERPRISE.
- D. AMOUNT OF CREDIT. THE AMOUNT OF THIS COUNTY PROPERTY TAX CREDIT SHALL BE EQUAL TO THE AMOUNT OF ANY COUNTY PROPERTY TAX INCREASE THAT IS ATTRIBUTABLE TO THE RENOVATION.
- E. DURATION. THIS COUNTY PROPERTY TAX CREDIT SHALL RUN FOR A PERIOD NOT TO EXCEED SIX (6) CONSECUTIVE TAX YEARS. THE FIRST TAX YEAR THE TAX CREDIT SHALL BECOME AVAILABLE FOR AN ELIGIBLE BUILDING SHALL BE THE FIRST TAX YEAR IN WHICH A BUILDING'S PROPERTY TAXES WOULD OTHERWISE HAVE INCREASED DUE TO THE QUALIFYING RENOVATION (THE "FIRST TAX YEAR"). THE LAST TAX YEAR THE COUNTY

- E. DURATION. THIS COUNTY PROPERTY TAX CREDIT SHALL RUN FOR A PERIOD NOT TO EXCEED SIX (6) CONSECUTIVE TAX YEARS. THE FIRST TAX YEAR THE TAX CREDIT SHALL BECOME AVAILABLE FOR AN ELIGIBLE BUILDING SHALL BE THE FIRST TAX YEAR IN WHICH A BUILDING'S PROPERTY TAXES WOULD OTHERWISE HAVE INCREASED DUE TO THE QUALIFYING RENOVATION (THE "FIRST TAX YEAR"). THE LAST TAX YEAR THE COUNTY PROPERTY TAX CREDIT SHALL BE AVAILABLE FOR A BUILDING SHALL BE THE EARLIER TO OCCUR OF:
1. THE FIFTH TAX YEAR THAT FOLLOWS THE FIRST TAX YEAR, OR
  2. THE TAX YEAR IN WHICH A BUILDING IS NO LONGER USED BY A QUALIFYING RESIDING ARTIST OR AN ARTS AND ENTERTAINMENT ENTERPRISE.
- F. CREDIT TRANSFERABILITY. THE TAX CREDIT GRANTED BY THIS SECTION MAY BE TRANSFERRED TO A PURCHASER OF THE PROPERTY FOR THE REMAINING TERM OF THE CREDIT, SUBJECT THE CONTINUED USE OF THE PROPERTY OR ELIGIBLE PORTION OF THE PROPERTY BY A QUALIFYING RESIDING ARTIST OR AN ARTS AND ENTERTAINMENT ENTERPRISE; AND THE TAXPAYER'S PROVIDING TO THE DIRECTOR AN ANNUAL CERTIFICATION OF THAT CONTINUED USE
- G. APPLICATIONS.
1. A PROPERTY OWNER MUST APPLY FOR A COUNTY PROPERTY TAX CREDIT UNDER THIS ARTICLE BY SUBMITTING AN APPLICATION TO THE COUNTY FINANCE DIRECTOR WITHIN 90 DAYS OF RECEIPT OF AN ASSESSMENT NOTICE REFLECTING THE RENOVATIONS OR IMPROVEMENTS.
  2. RENOVATIONS OR IMPROVEMENTS MADE BEFORE JULY 1, 2007, DO NOT QUALIFY FOR A TAX CREDIT UNDER THIS SECTION.
  3. APPLICANTS MAY NOT APPLY FOR A COUNTY PROPERTY TAX CREDIT FOR ANY QUALIFYING RENOVATION THAT COMMENCES AFTER JUNE 30, 2013, UNLESS THE DESIGNATION OF THE ARTS AND ENTERTAINMENT DISTRICT HAS BEEN RENEWED.
  4. ANY QUALIFYING RENOVATION PROJECT ALREADY ACCEPTED INTO THE PROGRAM BY JUNE 30, 2013 SHALL CONTINUE TO RECEIVE THE COUNTY REAL PROPERTY TAX CREDIT AS PROVIDED IN THIS SECTION.
- J. DEFINITIONS.

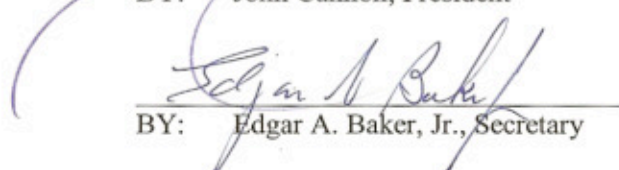
QUALIFYING RESIDING ARTIST

SECTION II. BE IT FURTHER ENACTED THAT this Bill shall be known as Bill No. 2007-01 of Wicomico County, Maryland and shall take effect sixty (60) days after its final passage, unless a proper Petition for Referendum thereof shall be filed prior to said date; in which event, the Bill shall not take effect until the expiration of thirty (30) days following the approval of this Bill by a majority of the qualified voters of the County voting in any such referendum.

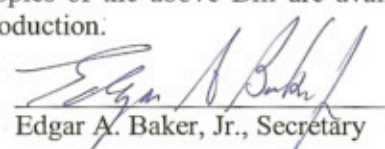
Certified correct as passed and adopted by the County Council of Wicomico County, Maryland this 3<sup>rd</sup> day of April, 2007.

WICOMICO COUNTY, MARYLAND

  
BY: John Cannon, President

  
BY: Edgar A. Baker, Jr., Secretary

I HEREBY CERTIFY that twenty-five (25) copies of the above Bill are available for distribution to the public and press at the time of its introduction.

  
Edgar A. Baker, Jr., Secretary

Explanation:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

Strike out indicates material deleted from law.

CAPITAL - STRIKE OUT indicates matter stricken from Bill by Amendment.

Underlining indicates Amendments to Bill