

RESOLUTION NO. 1160-21

ARTS AND ENTERTAINMENT DISTRICT

WHEREAS, the Town of Bel Air intends to apply to the Maryland Department of Commerce through the Maryland State Arts Council for redesignation of the Bel Air Arts and Entertainment District (the “District”) within certain boundaries as shown on the map titled “Town of Bel Air Arts & Entertainment District” attached to this Resolution; and

WHEREAS, under State law, the designation of an arts and entertainment district: (i) provides an income tax subtraction modification for qualifying residing artists under Section 10-207(v) of the Tax – General Article; (ii) a property tax credit under Section 9-240 of the Tax – Property Article; and (iii) an exemption from the admissions and amusement tax under Section 4-104 of the Tax – General Article.

WHEREAS, the designation of an Arts & Entertainment District provides the above benefits and incentives for certain persons and real property owners within the District including an income tax subtraction modification for qualifying residing artists, a real property tax credit application to any increase in assessment resulting from the construction and renovation of manufacturing, commercial or industrial buildings capable for use by qualifying residing artist(s), and an exemption from the admissions and amusement tax on gross receipts resulting from an admissions or amusement charge levied on an arts and entertainment enterprise or qualifying residing artist(s) for qualifying activities in the District.

NOW, THEREFORE BE IT RESOLVED THAT Town of Bel Air (the “Municipal Corporation”) agrees to the following:

1. The geographic boundaries of the Bel Air Arts and Entertainment District shall be as depicted on Attachment #1, the map titled “Town of Bel Air Arts & Entertainment District” and including the parcels listed on the attached map; and
2. The Municipal Corporation fully approves and supports the designation of the District; and
3. The Municipal Corporation understands that the income tax subtraction modification under Section 10-207(v) of the Tax – General Article for qualifying residing artists in the District might affect its income tax receipts; and
4. If the Secretary of Commerce approves the District redesignation, the Municipal Corporation shall provide the following incentives to eligible persons in the District:
 - (a) During the entire redesignation period approved by the Secretary of Commerce, exemption from the Admission and Amusement Tax gross receipts from any admissions or amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in the District; and
 - (b) During the entire redesignation period approved by the Secretary of Commerce, a real property tax credit further described in Section 9-240 of the Tax – Property Article against the Municipal Corporation property tax imposed on the eligible assessment of an eligible building. The real property tax credit amount shall be the following percentage of the amount

of property tax imposed on the eligible assessment of the property entitled to the credit:

- (i) 100% in each of the first four (4) taxable years after the calendar year when the property initially is entitled to the credit;
- (ii) 80% in the fifth (5) taxable year;
- (iii) 70% in the sixth (6) taxable year;
- (iv) 60% in the seventh (7) taxable year;
- (v) 50% in the eighth (8) taxable year;
- (vi) 40% in the ninth (9) taxable year; and
- (vii) 30% in the tenth (10) taxable year.

(c) The property tax credit is contingent only after receiving redesignation from the Secretary of the Maryland Department of Commerce, and shall run for no longer than ten (10) years; the exemption from real property taxation is based on the increase in assessed valuation of the property attributable to rehabilitation in the Arts & Entertainment District and for only the portion of a property that is rehabilitated for a certified arts use.

AND BE IT FURTHER RESOLVED that this Resolution shall take effect on the ____ day of _____, 2021.

INTRODUCTION:

PUBLIC HEARING:

ENACTMENT:

EFFECTIVE:

AYES:

Amy Chmielewski, Chairman
Board of Town Commissioners

Michael Krantz, Town Clerk