



The Mayor and Commissioners of the Town of Elkton

Resolution R3– 2016

A RESOLUTION of the Mayor and Commissioners of the Town of Elkton supporting the application to the Secretary, Department of Commerce (hereinafter the “Secretary”), for the re-designation of the *Arts and Entertainment District* (hereinafter the “District”) in the Town of Elkton and authorizing certain incentives affecting qualifying residing artists and the owners of qualified real property within the *District*.

WHEREAS, the *District* is intended to stimulate the local economy, enhance the vitalization of the town, provide a venue for the arts and related activities, provide both the residents and visitors to the town an attractive and supportive environment for the arts, and supplement current and future educational and recreational programs in the Elkton community; and

WHEREAS, in order for certain benefits and incentives to be offered to qualifying residing artists and property owners in the *District*, the Secretary must approve the *District's* re-designation in the Elkton community; and

WHEREAS, in 2006, the Elkton Chamber of Commerce and the Elkton Alliance applied for and received a 10-year designation as a *District* in the town from the Secretary; and

WHEREAS, the Elkton Chamber of Commerce and the Elkton Alliance prepared an application to the Secretary for the re-designation of the *District* for a another 10-year term, the boundaries of which are defined on a map attached to this Resolution; and

WHEREAS, the continued designation of the *District* provides benefits and incentives for qualifying residing artists and real property owners within the *District*, including an income tax subtraction modification for qualifying residing artists, a real property tax credit applicable to any increase in an assessment resulting from the construction and renovation of a manufacturing, commercial, or industrial building used by a qualifying residing artist, and an exemption from the admissions and amusement tax on the gross receipts resulting from any admissions or amusement charge by an arts and entertainment enterprise or qualifying residing artist for qualified activities in the *District*.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Commissioners of the Town of Elkton as follows:

1. The geographical boundaries of Elkton’s *Arts and Entertainment District* are shown on a map attached hereto.

2. The Mayor and Commissioners hereby approve the re-designation of the *Arts and Entertainment District* and support the application to the Secretary, Department of Commerce, for the re-designation of Elkton's *Arts and Entertainment District*.
3. The Mayor and Commissioners acknowledge the income tax subtraction modification applicable to a qualifying residing artist, as provided under Subsection (v), §10-207, Part II., Subtitle 2., Title 10, Tax – General Article, Annotated Code of Maryland, and the consequences of this provision with regard to State-shared income tax revenue to the Town.
4. Upon the re-designation of the *Arts & Entertainment District* by the Secretary, Department of Commerce, the Mayor and Commissioners shall provide the following incentives to qualified persons and real property in the *District*:
 - A. During the ten (10) year designation period approved by the Secretary, the Town of Elkton shall exempt the admission and amusement tax on the gross receipts resulting from an admissions or amusement charge charged by an arts and entertainment enterprise or qualified resident artist for qualified activities in the *Arts and Entertainment District*, as provided under Subsection (e), § 4-104, Subtitle 1., Title 4., Tax – General Article, Annotated Code of Maryland.
 - B. During the ten (10) year designation period approved by the Secretary, a real property tax credit shall be applicable to the municipal real property tax imposed on qualified real property, as provided under § 9-240, Subtitle 2., Title 9., Tax – Property Article, Annotated Code of Maryland. The real property tax credit amount shall be applicable under the following percentage abatement schedule:
 - (1) 80% for the first five (5) taxable years after the calendar year when the property initially is entitled to the credit;
 - (2) 70% for the sixth taxable year;
 - (3) 60% for the seventh taxable year;
 - (4) 50% for the eighth taxable year;
 - (5) 40% for the ninth taxable year; and
 - (6) 30% for the tenth taxable year.

** End of Section **

Read and Passed this 3rd day of February, 2016

Mayor Robert J. Alt

Commissioner Charles H. Givens, Sr.

Commissioner Earl M. Piner, Sr.

Commissioner Daniel R. VanReenen, Jr.