



The Mayor and Commissioners of the Town of Elkton

Resolution R3-2006

A RESOLUTION of the Mayor and Commissioners of the Town of Elkton supporting the application to the Secretary, Maryland Department of Business and Economic Development, for the designation of an *Arts and Entertainment District* in the town of Elkton and authorizing certain incentives affecting qualifying residing artists and the owners of qualifying real property within the *District*.

WHEREAS, an *Arts and Entertainment District* is intended to simulate the local economy, advance 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 artists and property owners in the *Arts and Entertainment District*, the State of Maryland, through the Secretary, Department of Business and Economic Development, must approve the *District's* designation in a community; and

WHEREAS, the Elkton Chamber and Alliance has prepared an application to the Secretary, Maryland Department of Business and Economic Development, for the designation of an *Arts and Entertainment District* in the town, whose boundaries are defined on a map attached with this Resolution; and

WHEREAS, the designation of an *Arts and Entertainment District* provides 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 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(s), and an exemption from the admissions and amusement tax on the gross receipts resulting from an admissions or amusement charge levied by an arts and entertainment enterprise or qualifying residing artist for qualifying activities in the *District*.

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

1. The geographical boundaries of the Elkton *Arts and Entertainment District* are shown on a map attached hereto.
2. The Mayor and Commissioners hereby approve the designation of the *Arts and Entertainment District* and support the application to the Secretary, Maryland Department of Business and Economic Development, for the designation of said *District*.
3. The Mayor and Commissioners are aware of the income tax subtraction modification applicable to a qualifying residing artist, as provided under Title 10, Subtitle 2., Part II, § 10-207 (v), 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 designation of the *Arts & Entertainment District* by the Secretary, Maryland Department of Business and Economic Development, the Mayor and Commissioners shall

provide the following incentives to qualifying persons and real property in the *District*:

- A. During the ten (10) year designation period approved by the Secretary, the Town of Elkton shall be exempt the admission and amusement tax on the gross receipts resulting from an admissions or amusement charge levied by an arts and entertainment enterprise or qualified residing artist for qualifying activities in the *Arts and Entertainment District*, as provided under Title 4, §4-104 (e), 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 Title 9, §9-240, 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) fiscal years after the qualifying real property is entitled to the tax credit;
 - (2) 70% for the sixth year;
 - (3) 60% for the seventh year;
 - (4) 50% for the eighth year;
 - (5) 40% for the ninth year; and
 - (6) 30% for the tenth year.

**** END OF SECTION ****

READ AND PASSED THIS 15th DAY OF MARCH, 2006

**The Mayor and Commissioners
of the Town of Elkton**

Mayor Joseph L. Fisona
Commissioner John K. Burkley, II
Commissioner Charles H. Givens, Sr.
Commissioner Earl M. Piner, Sr.
Commissioner C. Gary Storke