



Mayor and Commissioners of the Town of Elkton

Resolution R4-2023

Re-Designation of Enterprise Zones

A RESOLUTION OF THE MAYOR AND COMMISSIONERS OF THE TOWN OF ELKTON TO SUPPORT THE RE-DESIGNATION OF THE EXISTING ENTERPRISE ZONE WITHIN THE TOWN OF ELKTON, AND GENERALLY RELATING TO THE USE OF ENTERPRISE ZONES TO PROMOTE THE RETENTION AND EXPANSION OF BUSINESSES IN THE TOWN OF ELKTON.

WHEREAS, Maryland's Enterprise Zone Tax Credit Program is a joint effort between the State and local governments to provide tax incentives to businesses and property owners located in economically distressed communities; and

WHEREAS, the Town of Elkton desires to continue the existing Enterprise Zone to allow existing businesses in the Town of Elkton and prospective new businesses to utilize these incentives; and

WHEREAS, the primary benefits to businesses that are located within an Enterprise Zone are eligible for local property tax credits and State income tax credits; and

WHEREAS, eligible businesses in an enterprise zone may claim a ten (10)-year credit against local real property taxes on a portion of real property improvements. The credit is 80 percent of the assessment increase during the first five years. The credit then decreases 10 percent annually thereafter to 30 percent in the tenth year; and

WHEREAS, eligible businesses in an enterprise zone may claim one-year or three-year credits for wages paid to new employees in new positions. The general credit is a one-time \$1,000 credit per new worker. For economically disadvantaged employees, the credit increases to a total of \$6,000 per worker distributed over three years. Businesses may claim the enterprise zone income tax credits on the 500CR form when they submit their business or individual income tax returns to the Maryland Comptroller; and

WHEREAS, the Enterprise Zone is an important incentive for the Town to encourage existing businesses to expand and attracting new businesses to locate within the Town; and

WHEREAS, Cecil County is preparing to file an application with the State of Maryland requesting a 10-year re-designation of the Cecil County Enterprise Zone; and

WHEREAS, the Mayor and Commissioners of the Town of Elkton have conducted a public hearing regarding the re-designation or continuation of the Town of Elkton Enterprise Zone; and

WHEREAS, the Mayor and Commissioners desire to support the application to be filed by Cecil County with the State of Maryland for the re-designation or continuation of the Town of Elkton's Enterprise Zone.

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

1. The Mayor and Commissioners support the continuation of the existing Enterprise Zone and endorse the application to be filed by Cecil County with the State of Maryland for the 10-year re-designation of the Cecil County Enterprise Zone; and
2. The Mayor and Town Administrator are authorized and directed to execute, attest to and deliver all documents necessary or desirable to effectuate the continuation of the Town of Elkton Enterprise Zone as set forth in this Resolution;
3. Copies of this Resolution shall be sent to the Cecil County Executive, Cecil County Council and Cecil County Economic Development Director;
4. This Resolution shall become effective immediately upon its passage.

READ AND PASSED THIS 19TH DAY OF APRIL 2023

Mayor and Commissioners of the Town of Elkton

Robert J. Alt, Mayor

Jean A. Broomell, Commissioner

Charles H. Givens, Sr., Commissioner

Rob Massimiano, Commissioner