

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 1143 (Delegate Pitkin. *et al.*)

Ways and Means

Arts and Entertainment Districts - Property Tax Credit

This bill authorizes a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on a manufacturing, commercial, or industrial building that (1) is located in an arts and entertainment district; and (2) is wholly or partially renovated for use as housing for qualifying residing artists. The tax credit granted by the county or municipality may not be granted for more than ten years.

The bill is contingent on the enactment of House Bill 875 of 1999, Arts and Entertainment Districts - Income Tax and Sales and Use Tax, which authorizes the designation of arts and entertainment districts.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate minimal effect on the revenues of participating jurisdictions. Expenditures would not be affected.

Small Business Effect: Potential minimal.

Fiscal Analysis

Local Effect: Under House Bill 875 (1999), for a county and Baltimore City to establish an arts and entertainment district, the district must be wholly within a priority funding area and a designated neighborhood. The number of arts and entertainment districts that could arise from House Bill 875 is currently unknown. Therefore, the value of a tax credit against county and municipal corporation's property taxes cannot be reliably estimated at this time.

The revenue loss to a jurisdiction depends upon the number of qualifying artists residing in an arts and entertainment district, the assessed value of the property, the county tax rate, and the amount of any tax credit a jurisdiction decides to grant.

Information Source(s): Baltimore City, Prince George's County, Caroline County, Town of Indian Head, Department of Assessments and Taxation

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dmm/jr

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