
By: **Senators Ruben, Brinkley, Britt, Colburn, Currie, Della, Dyson, Exum, Forehand, Frosh, Garagiola, Giannetti, Green, Grosfeld, Hafer, Hogan, Hollinger, Hughes, Jones, Kelley, Kramer, Lawlah, McFadden, Middleton, Munson, and Teitelbaum**

Introduced and read first time: February 9, 2005

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Arts and Entertainment Districts - Tax Credits**

3 FOR the purpose of altering the definition of qualifying resident artist for the purpose
4 of certain tax benefits available in certain arts and entertainment districts;
5 expanding the types of buildings in certain arts and entertainment districts for
6 which a property tax credit may be granted under certain circumstances;
7 establishing a method for calculating certain property tax credits granted in
8 certain arts and entertainment districts; defining certain terms; providing for
9 the application of this Act; and generally relating to arts and entertainment
10 districts and tax benefits.

11 BY repealing and reenacting, with amendments,
12 Article 83A - Department of Business and Economic Development
13 Section 4-701(a)(5)
14 Annotated Code of Maryland
15 (2003 Replacement Volume and 2004 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article - Tax - Property
18 Section 9-240
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2004 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article 83A - Department of Business and Economic Development**

24 4-701.

25 (a) (5) "Qualifying residing artist" means an individual who:

1 (i) Owns or rents residential real property in [an] THE COUNTY
 2 WHERE THE arts and entertainment district IS LOCATED and conducts a business in
 3 the arts and entertainment district; and

4 (ii) Derives income from the sale or performance within the arts
 5 and entertainment district of an artistic work that the individual wrote, composed, or
 6 executed, either solely or with one or more other individuals.

7 **Article - Tax - Property**

8 9-240.

9 (a) In this section, "arts and entertainment district", "arts and entertainment
 10 enterprise", and "qualifying residing artist" have the meanings stated in Article 83A,
 11 § 4-701 of the Code.

12 (b) The governing body of a county or municipal corporation may grant, by
 13 law, a property tax credit against the county or municipal corporation property tax
 14 imposed on a manufacturing, commercial, or industrial building that:

15 (1) is located in an arts and entertainment district; and

16 (2) is wholly or partially CONSTRUCTED OR renovated TO BE CAPABLE
 17 for use by a qualifying residing artist or an arts and entertainment enterprise.

18 (c) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
 19 MEANINGS INDICATED.

20 (II) "BASE YEAR" MEANS THE TAXABLE YEAR IMMEDIATELY
 21 BEFORE THE TAXABLE YEAR IN WHICH A PROPERTY TAX CREDIT GRANTED UNDER
 22 THIS SECTION IS TO BE GRANTED.

23 (III) 1. "BASE YEAR VALUE" MEANS THE VALUE OF THE
 24 PROPERTY USED TO DETERMINE THE ASSESSMENT ON WHICH THE PROPERTY TAX
 25 ON REAL PROPERTY WAS IMPOSED FOR THE BASE YEAR.

26 2. "BASE YEAR VALUE" DOES NOT INCLUDE ANY NEW REAL
 27 PROPERTY THAT WAS FIRST ASSESSED IN THE BASE YEAR.

28 (2) THE ASSESSMENT ELIGIBLE FOR A TAX CREDIT UNDER THIS
 29 SECTION IS EQUAL TO THE DIFFERENCE BETWEEN THE BASE YEAR VALUE AND THE
 30 ACTUAL VALUE AS DETERMINED BY THE DEPARTMENT FOR THE APPLICABLE
 31 TAXABLE YEAR IN WHICH THE TAX CREDIT UNDER THIS SECTION IS TO BE GRANTED.

32 (D) A tax credit granted under this section may not be granted for more than
 33 10 years.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
 35 effect October 1, 2005, and shall be applicable to all taxable years beginning after
 36 June 30, 2006.

