

Chapter 250

(Senate Bill 256)

AN ACT concerning

Arts and Entertainment Districts – Artistic Work and Arts and Entertainment Enterprise – Definitions

FOR the purpose of altering the definitions of artistic work and arts and entertainment enterprise for purposes of provisions of law governing the State arts and entertainment district program; altering the eligibility for certain persons to claim certain tax incentives; providing for the application of this Act; and generally relating to the State arts and entertainment district program.

BY repealing and reenacting, without amendments,
 Article – Economic Development
 Section 4–701(a), (c), and (f) and 4–706(a)
 Annotated Code of Maryland
 (2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
 Article – Economic Development
 Section 4–701(b) and (d)
 Annotated Code of Maryland
 (2018 Replacement Volume and 2020 Supplement)

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

Article – Economic Development

4–701.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Artistic work” means an original and creative work that:
 - (1) is created, written, composed, or executed, **EITHER ALONE OR WITH OTHERS**; and
 - (2) falls into one of the following categories:
 - (i) a book or other writing;
 - (ii) a play or performance of a play;

- composition;
- (iii) a musical composition or the performance of a musical composition;
 - (iv) a painting or other picture, **INCLUDING A PHOTOGRAPH**;
 - (v) a sculpture;
 - (vi) traditional or fine crafts, **INCLUDING WORKS OF CULTURAL EXPRESSION**;
 - (vii) the creation of a film or the acting within a film;
 - (viii) the creation of a dance or the performance of a dance;
 - (ix) the **DESIGN OR** creation of original jewelry, clothing, or **[design] OTHER FUNCTIONAL ART**; **[or]**
 - (X) STORYTELLING OR A STORYTELLING PERFORMANCE**;
 - (XI) A DIGITAL OR NEW MEDIA DESIGN OR PERFORMANCE**; **OR**
 - [(x)] (XII)** any other product generated as a result of a work **OR COMBINATION OF WORKS** listed in items (i) through **[(ix)] (XI)** of this paragraph.

(c) “Arts and entertainment district” means a developed district of public and private uses that:

(1) is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses; and

(2) ranges in size from a portion of a political subdivision to a regional district with a special coherence.

(d) “Arts and entertainment enterprise” means a for-profit or nonprofit entity dedicated to **[visual or performing arts] CREATING, SELLING, OR SHARING ARTISTIC WORK**.

(f) “Qualifying residing artist” means an individual who:

(1) owns or rents residential real property in the State;

(2) conducts a business in any arts and entertainment district; and

(3) derives income from the sale or performance within any arts and entertainment district of an artistic work that the individual wrote, composed, or executed, either alone or with others, in any arts and entertainment district.

4-706.

(a) In an arts and entertainment district:

(1) each qualifying residing artist is eligible for the income tax subtraction modification under § 10-207(v) of the Tax – General Article;

(2) the property tax credit under § 9-240 of the Tax – Property Article applies; and

(3) the exemption from the admissions and amusement tax under § 4-104 of the Tax – General Article applies.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.

Approved by the Governor, May 18, 2021.