



January 18, 2021

Hello from the snowy hills of Garrett County! I hope you are all well and safe in this unprecedented time. I am writing to you to urge your support for SB256, “Arts and Entertainment Districts – Artistic Work and Arts and Entertainment Enterprise – Definitions.” The bill seeks to alter the definitions of "artistic work" and "arts and entertainment enterprise" by updating the terminology used to define artistic work and by clarifying the activities of an arts an entertainment enterprise. and increase the eligibility for area artists and organizations to claim certain tax incentives.

Here on the Maryland Mountaintop we have established Arts & Entertainment Districts in Grantsville and Oakland. I took over as the coordinator of these Districts one year ago. The pandemic has certainly curtailed our activity, but we have made significant progress despite the shutdown. We engaged in an intensive strategic planning process this year, using grant funding specifically for that purpose, and now have a solid, detailed outlook for the next five years in both towns. There is such hope and promise in the progress of both Districts, and we are eager to jump into the post-Covid world as soon as possible to continue our vital work.

One of our main priorities is to publicize a clear, easy-to-understand message regarding tax incentives to those creating and selling work, performances, or other creative products within the Districts. For more than two years, the Maryland State Arts Council has been working with A&E District managers, advisory boards, and constituents to create solid program development and to support each unique District with what is most needed for success. One significant finding of that process was the recommendation to revise definitions within the A&E District statute for clarity, and to adjust the language to be consistent with the way artists make work.

SB256 introduces revisions to the Artistic Work and Arts & Entertainment Enterprise that provide clarity to Maryland artists and A&E enterprises about the program, and communicates more specifically the benefits of the A&E Districts. The ultimate goal that should logically follow is an increase in economic development through the generation of arts activity and investment in the A&E Districts of Oakland and Grantsville, which does then support the rest of the county.

The revisions contained in SB256 clarify *but do not change* who and what entities are eligible for the state’s income tax subtraction modification, as well as local property tax credits and the abatement of the admission and amusement tax. If the revisions provide clarity, then more landowners, artists, and businesses may take advantage of the credits made available through the legislation. MSAC and A&E District program staff feel the actual impact of this will be minimal, well offset by the benefits of increased arts activity.

Maryland was among the first states to enact the A&E District program through legislation and is now considered one of the nation’s strongest. The income generated by the program is significant statewide,

now with 29 districts in 19 counties and Baltimore City. In FY19, new businesses and events in 26 districts supported more than 1,600 fulltime-equivalent jobs, contributed over \$155 million to the state's GDP, and generated \$12.4 million in state and local taxes. If we can simply clarify the language and attract more arts enterprises within our Districts, those numbers will only increase.

In the Grantsville A&E District, we are looking forward to 2021 with our strategic plan in place. The National Roads Festival is on the horizon, with all last year's canceled plans back on the table. The A&E District will provide music, an arts history presentation to local school children, an artist vendor fair, and more. I have already applied for and obtained a \$2,000 grant from the Western Maryland Heritage Area for that event. Our strategic plan includes exciting prospects of researching the Native American history of the District and the artistry of those early residents, as well as a collaboration with Spruce Forest Artisan Village, which was damaged extensively by a microburst last May. We are helping to seek and make repairs in that vital arts location.

In Oakland we are engaging in a new branding plan to create a logo, signage, and other marketing tools to better mark the District and celebrate the historic area in which it lies. We are preparing to launch a quarantine-inspired "Play Bake" event, inviting residents to try their hand at writing impromptu plays and then selecting the best of those efforts for online readings.

As coordinator of the Districts, my plans this winter and early spring are to convene meetings with the mayors and councils of both towns, as well as the Garrett County Commissioners, in order to update everyone on our progress, as well as to clarify and refresh all key leaders in the definition, benefits, and mission of the A&E Districts. This clarified language in SB256 will help a great deal in those efforts.

Despite the limitations placed upon all because of the pandemic, we are forging ahead. If we can better explain the tax benefits to incoming artists and arts enterprises through the clarifications outlined in SB256, I can only predict more improvement, developments, and successes in the A&E Districts of Grantsville and Oakland. I do hope that you will support this bill.

I appreciate your attention to this letter and to the matter at hand.

Sincerely,

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