

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2016-05**

RESOLUTION NO. 10-2016

Title of Resolution: Re-designation - Arts and Entertainment District and Tax Incentives - Town of Elkton

Synopsis: A Resolution to support the application of the Town of Elkton to the Maryland Department of Commerce, formerly known as Department of Business and Economic Development, to redesign the Town's Arts and Entertainment District and certain incentives affecting qualifying residing artists and the owners of qualified real property within the District.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: March 1, 2016

Scheduled for consideration on: March 15, 2016

By: _____
Council Manager

Notice and title of Resolution having been posted by _____ at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on _____.

By: _____
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment.

1 **WHEREAS**, in 2006, the Elkton Chamber of Commerce and the Elkton Alliance applied for and
2 received a 10-year designation as a District (the “District”) in the Town of Elkton (the “Town”) from the
3 Secretary, Maryland Department of Commerce, formerly the Department of Business and Economic
4 Development; and

5 **WHEREAS**, the Elkton Chamber of Commerce and the Elkton Alliance have prepared an application
6 to the Secretary, Maryland Department of Business and Economic Development, now called the
7 Department of Commerce, for the re-designation of the District for a another 10-year term; and

8 **WHEREAS**, the District is intended to stimulate the local economy, enhance the vitalization of the
9 Town, provide a venue for the arts and related activities, provide both residents and visitors to the Town an
10 attractive and supportive environment for the arts, and supplement current and future educational and
11 recreational programs in the Elkton community; and

12 **WHEREAS**, in order for certain benefits and incentives to be offered to qualifying residing artists and
13 property owners in the District, the Secretary, Maryland Department of Business and Economic
14 Development, must approve the District's re-designation in the Elkton community; and

15 **WHEREAS**, the continued designation of the District provides benefits and incentives for qualifying
16 residing artists and real property owners within the District, including an income tax subtraction
17 modification for qualifying residing artists, a real property tax credit applicable to any increase in an
18 assessment resulting from the construction and renovation of a manufacturing, commercial, or industrial
19 building used by a qualifying residing artist, and an exemption from the admissions and amusement tax on
20 the gross receipts resulting from any admissions or amusement charge by an arts and entertainment
21 enterprise or qualifying residing artist for qualified activities in the District; and

22 **WHEREAS**, the County Council acknowledges the income tax subtraction modification applicable to
23 a qualifying residing artist, as provided under Subsection (v), §10-207, Part II., Subtitle 2., Title 10, Tax –
24 General Article, Annotated Code of Maryland, and the consequences of this provision with regard to State-
25 shared income tax revenue to the Town; and

26 **WHEREAS**, upon the re-designation of the District by the Secretary, Maryland Department of
27 Business and Economic Development, the Mayor and Commissioners of the Town of Elkton have agreed to
28 provide the following incentives to qualified persons and real property in the District:

29 1. During the ten (10) year designation period approved by the Secretary, the Town of Elkton

30 shall exempt the admission and amusement tax on the gross receipts resulting from an admissions or
31 amusement charge charged by an arts and entertainment enterprise or qualified resident artist for
32 qualified activities in the District, as provided under Subsection (e), § 4-104, Subtitle 1, Title 4, Tax –
33 General Article, Annotated Code of Maryland.

34 2. During the ten (10) year designation period approved by the Secretary, a real property tax
35 credit shall be applicable to the municipal real property tax imposed on qualified real property, as provided
36 under § 9-240, Subtitle 2., Title 9, Tax – Property Article, Annotated Code of Maryland. The real property
37 tax credit amount shall be applicable under the following percentage abatement schedule:

- 38 (1) 80% for the first five (5) taxable years after the calendar year when the property
39 initially is entitled to the credit;
- 40 (2) 70% for the sixth taxable year;
- 41 (3) 60% for the seventh taxable year;
- 42 (4) 50% for the eighth taxable year;
- 43 (5) 40% for the ninth taxable year; and
- 44 (6) 30% for the tenth taxable year.

45 **WHEREAS**, the Cecil County Council finds that renewal of the District will help stimulate the local
46 economy, enhance the vitalization of the Town, provide a venue for the arts and related activities, provide
47 both residents and visitors to the Town an attractive and supportive environment for the arts, and
48 supplement current and future educational and recreational programs in the Elkton community, and makes
49 this Resolution in support of the application prepared by the Elkton Chamber of Commerce and the Elkton
50 Alliance.

51 **NOW, THEREFORE, BE IT HEREBY RESOLVED** by the County Council of Cecil County, Maryland that
52 the County hereby approves of, and supports, the application of the Elkton Chamber of Commerce and the
53 Elkton Alliance to the Secretary, Maryland Department of Business and Economic Development,
54 Department of Commerce, for re-designation of the District in the Elkton community for a ten (10) year
55 period.

56 **AND BE IT FURTHER RESOLVED** by the County Council of Cecil County that all provisions of this
57 Resolution shall take effect on the date the Resolution is adopted by the Council.

INTRODUCED: March 1, 2016

ADOPTED: _____

President of the Council

ATTEST:

Council Manager