

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 re-designate 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: James Massey  
Council Manager

Notice and title of Resolution having been posted by March 1, 2016 at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on March 15, 2016.

By: James Massey  
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.

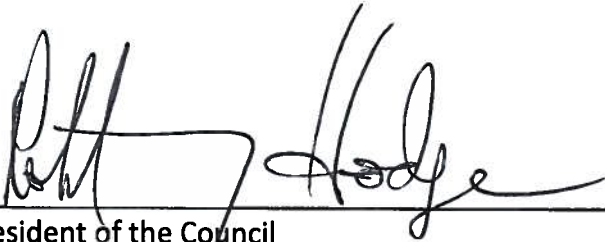
45           **WHEREAS**, the Cecil County Council finds that renewal of the District will help stimulate the local  
46 economy, enhance the vitalization of the Town, provide a venue for the arts and related activities, provide  
47 both residents and visitors to the Town an attractive and supportive 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: March 15, 2016



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President of the Council

ATTEST:



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Council Manager