

City of Cambridge
307 Gay Street
Cambridge, Maryland 21613

EXECUTIVE DEPARTMENT

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MD RELAY (V/TTY) 711 OR 1-800-735-2258

RESOLUTION NO. 13 - 006

A RESOLUTION OF THE COMMISSIONERS OF CAMBRIDGE, MARYLAND (“THE COMMISSIONERS”), TO EXEMPT CERTAIN TAXPAYERS LOCATED IN AN DESIGNATED ARTS AND ENTERTAINMENT DISTRICT FROM THE CITY ADMISSIONS AND AMUSEMENT TAX, TO ACKNOWLEDGE AN INCOME TAX SUBTRACTION BY QUALIFYING ARTISTS, AND TO ALLOW A PROPERTY TAX CREDIT FOR CERTAIN RENOVATED BUILDINGS LOCATED WITHIN THE ARTS AND ENTERTAINMENT DISTRICT, AS AMENDED, IN THE CITY OF CAMBRIDGE.

WHEREAS, the State of Maryland has established a procedure for the designation and renewal of Arts and Entertainment Districts within the state; and

WHEREAS, by Resolution No. 02-014, approved on September 30, 2002, by the Commissioners of Cambridge, an application was submitted to and approved by the State, which established an Arts and Entertainment District within the City of Cambridge; and

WHEREAS, the Commissioners of Cambridge now desire to renew the designated Arts and Entertainment District and to amend the District for the City of Cambridge and are submitting an application for the renewal therefor to the State of Maryland; and

WHEREAS, the Commissioners of Cambridge have determined that the amendment and renewal of an Arts and Entertainment District within the city of Cambridge can promote investment, employment and cultural opportunities and generally be in the best interests of all of its residents; and

WHEREAS, the Commissioners of Cambridge have designated certain property within the limits of the City of Cambridge, Dorchester County, Maryland, for the renewal and establishment of an Arts and Entertainment District, which areas are delineated on Exhibit A which is attached hereto and incorporated herein by reference; and

WHEREAS, the Commissioners of Cambridge, in addition to supporting the application for renewal of an Arts and Entertainment District within the corporate boundaries of the City of Cambridge, desire to give certain individuals within said Arts and Entertainment District rights and advantages accruing to qualifying individuals in an Arts and Entertainment established by the Annotated Code of Maryland; and



WHEREAS, the Dorchester County Council (formerly known as the County Commissioners for Dorchester County, Maryland) supports the application for renewal of the Arts & Entertainment District by the City of Cambridge, which support is evidenced by Resolution 537 dated March 19, 2013, and attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF CAMBRIDGE, that the following tax abatement/exemption, income tax subtraction, and real property tax credit related to a State-Approved Arts and Entertainment District within the city of Cambridge are approved and/or acknowledged:

A. Abatement of Admissions and amusement tax.

Defined. Admissions and amusement tax, for purposes of this abatement, shall include gross receipts from any admissions and amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in an arts and entertainment district designated under state law. As set forth in Section 4-701 of the Economic Development Article, Annotated Code of Maryland, "Arts and entertainment enterprise" means a for profit or nonprofit entity dedicated to visual or performing arts.

Abatement. Pursuant to Section 4-104 of the Tax General Article, and Section 4-701 of Economic Development Article of the Annotated Code of Maryland, the Commissioners of Cambridge hereby exempt from the admissions and amusement tax gross receipts from any admissions and amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in an arts and entertainment district of the City for a period of ten (10) years from the effective date of this Resolution.

B. Income Tax Subtraction.

The Commissioners of Cambridge hereby acknowledge that upon approval by the State of an Arts and Entertainment District within the City of Cambridge, qualifying artists within the District may qualify for an income tax subtraction modification as defined and set forth in Section 10-207(v) of the Tax General Article of the Annotated Code of Maryland. The Commissioners further acknowledge that such an income tax modification may impact upon the revenues of the City.

C. Property tax credit – arts and entertainment district.

(a) In this Section the following words have the meanings indicated. *Arts and Entertainment District, Arts and Entertainment Enterprise, and Qualifying Residing Artist* are defined in Section 4-701 of the Economic Development Article of the Maryland Code.

Base year means the taxable year immediately before the taxable year in which a property tax credit under this section is granted.

Base year value means the value of the property used to determine the assessment on which the property tax was imposed for the base year. *Base year value* does not include any property first assessed in the base year.

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Eligible assessment means the difference between the base year value and the actual assessed value for the applicable taxable year in which the tax credit under this section is granted.

- (b) The City Treasurer must allow a tax credit, as authorized by Section 9-240 of the Tax Property Article of the Annotated Code of Maryland, to a taxpayer against the City property tax imposed on a building that:
 - a. is located in an arts and entertainment district; and
 - b. is wholly or partially renovated for use by a qualifying residing artist or an arts and entertainment enterprise.
- (c) A tax credit granted under this Section applies for six (6) years, as provided in subsection (d), as long as the building is used by a qualifying residing artist or an arts and entertainment enterprise.
- (d) The City Treasurer must calculate a tax credit allowed under this Section as follows:
 - (1) Except for properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is the following percentage of the amount of property tax imposed on the eligible assessment of the property entitled to the credit:
 - (A) 100% in each of the first 6 taxable years after the calendar year when the property initially is entitled to the credit;
 - (B) No credit in the 7th taxable year or subsequent years.
 - (2) For properties allowed an Enterprise Zone Tax Credit, the amount of the tax credit under this Section is 20% of the amount of property tax imposed on the eligible assessment of the property entitled to the credit for each of the six (6) taxable years after the calendar year when the property initially is entitled to the credit. The credit under this Section is in addition to the Enterprise Zone Tax Credit.

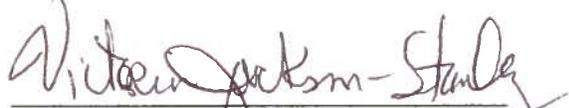
AND BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF CAMBRIDGE, that the abatement/exemption and property tax credits set forth herein shall become effective upon the formal approval and establishment of an Arts and Entertainment District by the State of Maryland pursuant to Section 4-701 et seq. of the Economic Development Article, Annotated of Maryland.

ADOPTED this 25th day of March, 2013.

ATTEST:

THE COMMISSIONERS OF CAMBRIDGE


Edwin C. Kinnamon, Clerk

BY: 
Victoria Jackson-Stanley, Mayor

City of Cambridge
Cambridge, Maryland



Adopted and effective this 25th day of MARCH, 2013