

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor

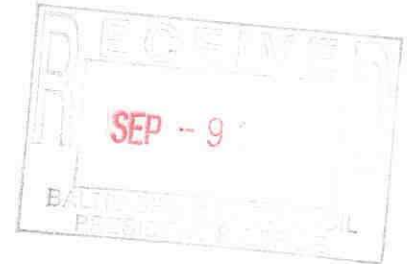


DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor  
101 City Hall  
Baltimore, Maryland 21202

September 6, 2013

Honorable President and Members  
of the City Council of Baltimore  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202



Attn: Karen Randle  
Executive Secretary

Re: City Council Bill 13-0242 – Arts and Entertainment Districts-  
Property Tax Credits-Admission and Amusements Tax  
Exemptions

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 13-0242 for form and legal sufficiency. City Council Bill 242 amends certain provisions of the Baltimore City Code pertaining to Arts and Entertainment Districts. The bill repeals the requirement that applications for the property tax credit granted in Art. 28, §10-14 will not be accepted after the 10<sup>th</sup> year from the date that the district was designated by the State. Similarly, the bill repeals the provision that requires artists or other enterprises in an Arts and Entertainment district to register for an exemption from the admissions and amusement tax within 10 years of the designation of the district by the State.

The Economic Development Article, Art. 4, Subtitle 7 of the Maryland Annotated Code governs the creation of arts and entertainment districts. Section 4-706 provides that in an arts and entertainment district each qualifying residing artist is eligible for the income tax subtraction modification; each property owner is entitled to a property tax credit under § 9-240 of the Tax - Property Article; and artists and enterprises may receive an exemption from the admissions and amusement tax under § 4-104 of the Tax - General Article.

The Code of Maryland Regulations contains regulations applicable to the implementation of the law. Under the regulations, within 60 days after a submission date, the Secretary may designate one or more arts and entertainment districts for a designation period of up to 10 years from the effective date from among the applications submitted. COMAR 24.05.26.04. A political subdivision may request redesignation of all or a portion of the designated district for an additional 10 year period. COMAR 24.05.26.08. A county shall state in its application that, if the district is designated, it will offer the

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property tax credit under Tax-Property Article, § 9-240, Annotated Code of Maryland, and the exemption from the admissions and amusement tax under Tax-General Article, §4-104, Annotated Code of Maryland, in the district.

Neither the Maryland Code nor the regulations limit the availability of property tax credits or admissions and amusement tax exemptions to the initial 10 years of a district's designation. The City Code provisions, §10-14(l) and §19-4(f) could be interpreted as limiting the availability of the district benefits to those who apply or register in the initial 10 year period. This would prevent these benefits from being available to artists and property owners who become associated with a district after the first 10 years but during a redesignation period. City Council Bill 13-0242 removes these sections of the City Code thereby eliminating any confusion.

Based on the foregoing, the Law Department approves City Council Bill 13-0242 for form and legal sufficiency.

Sincerely,



Elena DiPietro  
Chief Solicitor

cc: George Nilson, City Solicitor  
Angela C. Gibson, Mayor's Legislative Liaison  
Hilary Ruley, Assistant Solicitor  
Victor K. Tervalva, Assistant Solicitor  
Jennifer Landis, Assistant Solicitor