

RESOLUTION NO. 1433

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, TO AUTHORIZE THE APPLICATION FOR THE DESIGNATION OF THE SALISBURY ARTS & ENTERTAINMENT DISTRICT.

WHEREAS, the Council of the City of Salisbury is interested in promoting the development of arts and entertainment venues in our community by attracting new artists, entertainers and developers; and,

WHEREAS, the Maryland Department of Business and Economic Development (DBED) can assist the city in this endeavor by allowing us to establish the Salisbury Arts & Entertainment District, thereby providing tax credit incentives to qualifying artists and developers located within the boundaries of the District as shown on the map attached to this Resolution; and,

WHEREAS, under State law, the designation of an Arts & Entertainment District provides: (i) an income tax subtraction modification for qualifying residing artists under § 10-207(v) of the Tax – General Article; (ii) a property tax credit under § 9-240 of the Tax – Property Article; and (iii) an exemption from the Admissions and Amusement Tax under § 4-104 of the Tax – General Article.

NOW, THEREFORE, BE IT RESOLVED, that the City of Salisbury agrees to the following:

1. The geographic boundaries of the Salisbury Arts & Entertainment District shall be as depicted on the attached map titled “City of Salisbury Proposed Arts & Entertainment District”; and
2. The Mayor and the City Council fully approves and supports the designation of the District; and
3. The Mayor and Council understand that the income tax subtraction modification under 10-207(v) of the Tax – General Article for qualifying residing artists in the District might affect its income tax receipts; and
4. If the Secretary of DBED approves the District designation, the Mayor and Council shall provide the following incentives to eligible persons in the District:
 - a. During the entire designation period approved by the Secretary, exemption from the Admissions and Amusement Tax gross receipts from any admissions or amusement charge levied by an arts and entertainment enterprise or qualifying residing artist in the District; and

b. During the entire designation period approved by the Secretary, a real property tax credit further described in § 9-240 of the Tax – Property Article against the City of Salisbury on property tax imposed on the eligible assessment of an eligible building. The real property tax credit amount shall be the following percentage of the amount of property tax imposed on the eligible assessment of the property entitled to the credit:

- (i) 100% in each of the first 6 taxable years after the calendar year when the property initially is entitled to the credit;
- (ii) 0% after the 6th taxable year.

NOW, THEREFORE, BE IT FURTHER RESOLVED, on this 14th day of August, 2006, that the Council of the City of Salisbury, Maryland, does hereby authorize the submission of the Arts & Entertainment District application to the Maryland Department of Business and Economic Development.

THE ABOVE RESOLUTION, was introduced and duly passed at a meeting of the Council of the City of Salisbury held on August 14, 2006, and is to become effective immediately.

Brenda J. Colegrove
CITY CLERK

Michael P. Dunn
COUNCIL PRESIDENT

APPROVED BY ME THIS
_____ day of August, 2006.

Barrie P. Tilghman
MAYOR