

Prince George's County Council

Agenda Item Summary

Meeting Date: 5/18/2010
Reference No.: CB-010-2010
Draft No.: 2
Proposer(s): Campos
Sponsor(s): Campos, Dernoga
Item Title: An Act concerning the Prince George's County Arts and Entertainment District - Real Property Tax Credit for the purpose of approving a real property tax credit for qualifying residing artists and for arts and entertainment enterprises; and generally relating to a real property tax credit.

Drafter: Kathleen H. Canning, Legislative Officer
Resource Personnel: Bradley W. Frome, Legislative Aide

LEGISLATIVE HISTORY:

Date Presented:	3/2/2010	Executive Action:	5/27/2010 S
Committee Referral:	3/2/2010 - PSFM	Effective Date:	7/12/2010

Committee Action: 4/7/2010 - FAV(A)

Date Introduced: 4/27/2010
Public Hearing: 5/18/2010 - 10:00 AM

Council Action (1) 5/18/2010 - ENACTED
Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:A, EO:A, IT:A
Pass/Fail: P
Remarks:

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 4/7/2010

Committee Vote: Favorable as amended 5-0 (In Favor: Councilmember's Exum, Harrison, Campos, Dean, and Turner)

This bill will approve a real property tax credit for qualifying residing artists and for arts and entertainment enterprises. Pursuant to Section 9-240 of the Tax-Property Article of the Annotated Code of Maryland, Prince George's County may approve the real property tax credit for qualifying residing artists against the County property tax on manufacturing, commercial, or industrial buildings in the County's Art and Entertainment District, which are wholly or partially constructed or renovated for use by residing artists or arts and entertainment enterprise.

The property tax credit is based on the property's increased assessment attributable to the construction or renovation of the arts related dedicated use portion of the real property. The tax credit is based on a declining rate of 100% in taxable years one, 80% on taxable year two, 60% in taxable year three, 40% in taxable year four and 20% in taxable

year five. The real property tax credit granted by this resolution cannot be granted for more than five (5) years.

The Office of Law has reviewed this bill and finds it to be in proper form with no legal impediments to its enactment.

A letter of support for this legislation was received from the Prince George's County Association of Realtors.

The legislation was amended as follows:

- (1) On page 1, line 5 after "Article" insert "of the Annotated Code of Maryland".
- (2) On page 2, line 8 delete "and two"; delete "three and four" and insert "two", delete "five and six" and insert "three".
- (3) On page 2 line 9 delete "seven and eight" and insert four, delete "nine and ten" and insert "five".
- (4) On page 2 lines 10, 17 and 22 delete "Resolved" and insert "Enacted".

The enactment of CB-10-2010 will not have a negative or adverse fiscal impact on the County revenues. The County's base real property tax revenue for parcels affected by the potential real property tax credit will continue to be realized. Beginning in year three and for each year thereafter, the County will realize additional real property tax revenues as the value of the tax credit rate declines.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

This bill approves a real property tax credit for qualifying residing artists and for arts and entertainment enterprises. Pursuant to the Economic Development Article of the Annotated Code of Maryland, Sections 4-701 through 4-707, Prince George's County and four municipal corporations approved of the establishment of the Prince George's County Arts and Entertainment District; namely, the County and Hyattsville, Mount Rainier, Brentwood, and North Brentwood.

Pursuant to Section 9-240 of the Tax-Property Article of the Annotated Code of Maryland, the governing body of a county or municipal corporation may grant, by law, a property tax credit against the county or municipal corporation property tax imposed on a manufacturing, commercial, or industrial building that: (1) is located in an arts and entertainment district; and (2) is wholly or partially constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise. A property tax credit granted under this Section may not be granted for more than 10 years. A property tax credit granted under this Section is based on the incremental increase in real property value due to the construction and/or renovation of real property dedicated for use by a qualifying residing artist or an arts and entertainment enterprise.

The real property tax credit is based on a declining rate of 100% in taxable years one and two, 80% in taxable years three and four, 60% in taxable years five and six, 40% in taxable years seven and eight and 20% in taxable years nine and ten. A property tax credit granted under this Section may not be granted for more than 10 years.

CODE INDEX TOPICS:

INCLUSION FILES:

I-CB-10-2010 Attachments.pdf