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CITY OF HYATTSVILLE, MARYLAND

RESOLUTION 2021-__

**A Resolution to recertify the Gateway Arts and Entertainment District as
a designated State Arts and Entertainment District.**

WHEREAS, Maryland Code, Economic Development Article, Section 4-703(a) authorizes the Secretary of Commerce to designate an arts and entertainment district made on application by (1) a political subdivision for an area within that political subdivision; (2) with the prior consent of the municipal corporation, a county, on its own behalf or on behalf of a municipal corporation, for an area in the municipal corporation; or (3) two or more political subdivisions jointly for an area astride their common boundaries; and

WHEREAS, Maryland Code, Economic Development Article, Section 4-706(a) provides that, in an arts district: (1) each qualifying residing artist is eligible for the income tax subtraction modification under Section 10-207(v) of the Tax-General Article; (2) the property tax credit under Section 9-240 of the Tax-Property Article applies; and (3) the exemption from the admissions and amusement tax under Section 4-104 of the Tax-General Article applies; and

WHEREAS, Code of Maryland Regulations (COMAR) 24.05.26.04(H) provides that the designation may be valid for a period of up to ten (10) years; and

WHEREAS, COMAR 24.05.26.08(C) states that a “political subdivision may request redesignation of all or a portion of the designated district before the end of the 10-year designation period” and the new 10-year designation period shall begin immediately upon the redesignation; and

WHEREAS, the Gateway Arts and Entertainment District was last designated as such in 2011; and

WHEREAS, the time by which to apply for recertification is approaching; and

WHEREAS, it is the sense of the Mayor and City Council that the designation should continue as it benefits the citizens of the City of Hyattsville; and

NOW, THEREFORE BE IT RESOLVED, that the City of Hyattsville approves requests that the Gateway Arts and Entertainment District be designated by the Secretary for an additional 10-year period, to begin on the day of the designation;

BE IT FURTHER RESOLVED, that the City of Hyattsville understands that the income tax subtraction modification under Section 10-207(v) of the Tax-General Article for qualifying artists in the Arts and Entertainment District might affect its income tax receipts should the Gateway Arts and Entertainment District be recertified; and

BE IT FURTHER RESOLVED, that if the Secretary approves the designation, the City of Hyattsville shall provide the tax incentives enumerated in Section 4-706(a) of the Economic Development Article, which include the property tax credit under Section 9-240 of the Tax-Property Article, the exemption from the admissions and amusement tax under Section 4-104 of the Tax-General

1 Article, and the income tax subtraction modification under Section 10-207(v) of the Tax-General
2 Article; and

3
4 **BE IT FURTHER RESOLVED**, During the entire designation period approved by the
5 Secretary, a real property tax credit, further described in § 9-240 of the Tax-Property Article, may be
6 granted against the City property tax imposed on a manufacturing, commercial, or industrial building
7 that (1) is located in an arts and entertainment district and (2) is wholly or partially constructed or
8 renovated to be capable for use by a qualifying residing artist or an art and entertainment enterprise.
9 The real property tax credit amount shall be the following percentage of the amount of the increase in
10 property tax imposed on the eligible assessment of the property entitled to the credit:

- 11 i. 100% in each of the first taxable year after the calendar year when the
- 12 property is initially entitled to the credit;
- 13 ii. 80% in the second taxable year;
- 14 iii. 60% in the third taxable year;
- 15 iv. 40% in the fourth taxable year;
- 16 v. 20% in the fifth taxable year
- 17 vi. The tax credit shall not go beyond the tenth year.
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20 **INTRODUCED** by the Mayor and City Council of the City of Hyattsville, Maryland, at a
21 regular meeting on April , 2021, at which meeting copies were available to the public for inspection.

22
23 **ADOPTED** by the Mayor and City Council of the City of Hyattsville, Maryland, at a regular
24 meeting on April , 2021, at which meeting copies were made available to the public for inspection.

APPROVED:

City of Hyattsville, Maryland

Date

Kevin Ward
Interim Mayor

ATTEST/WITNESS:

City of Hyattsville, Maryland

Date

Laura Reams
City Clerk