

Bill No. 13-08
Concerning: Taxation – Arts and
Entertainment District – Property Tax
Credits
Revised: 4-11-08 Draft No.
Introduced: April 15, 2008
Expires: October 15, 2009
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. , Laws of Mont. Co.

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By:

AN ACT to:

- (a) amend the law allowing a property tax credit in arts and entertainment districts to conform to State law,
- (b) clarify that the property tax credit only applies to the portion of a building that is used by a qualifying residing artist or arts and entertainment enterprise; and
- (c) generally amend County law regarding arts and entertainment districts.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-18L

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Section 52-18L is amended as follows:

52-18L. 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 Article 83A of the [[Annotated Code of]] 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.

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 to be granted.

(b) The Director of Finance must allow a tax credit, as authorized by state law, to a taxpayer against the County property tax imposed on a manufacturing, commercial, or industrial building that:

(1) is located in an arts and entertainment district; and

- 25 (2) is wholly or partially constructed or renovated to be
26 capable for use by a qualifying residing artist or an arts
27 and entertainment enterprise.
- 28 (c) A tax credit granted under this Section applies for 10 years, as
29 provided in subsection (d), [as long as] for that portion of the
30 building [thereof] that is used by a qualifying residing artist or an
31 arts and entertainment enterprise.
- 32 (d) The Director must calculate a tax credit allowed under this Section
33 as follows:
- 34 (1) Except for properties allowed a Enterprise Zone Tax Credit,
35 the amount of the tax credit under this Section is the
36 following percentage of the amount of property tax imposed
37 on the eligible assessment of the property entitled to the
38 credit:
- 39 (A) 80% in each of the first 5 taxable years after the
40 calendar year when the property initially is entitled to
41 the credit;
- 42 (B) 70% in the 6th taxable year;
- 43 (C) 60% in the 7th taxable year;
- 44 (D) 50% in the 8th taxable year;
- 45 (E) 40% in the 9th taxable year; and
- 46 (F) 30% in the 10th taxable year.
- 47 (2) For properties allowed an Enterprise Zone Tax Credit, the
48 amount of the tax credit under this Section is 20% of the

49 amount of property tax imposed on the eligible assessment
50 of the property entitled to the credit for each of the 10
51 taxable years after the calendar year when the property
52 initially is entitled to the credit. The credit under this
53 Section is in addition to the Enterprise Zone Tax Credit.

54 *Approved:*

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56

Michael J. Knapp, President, County Council Date

57 *Approved:*

58

Isiah Leggett, County Executive Date

59 *This is a correct copy of Council action.*

60

Linda M. Lauer, Clerk of the Council Date