



Senate Bill 974

Arts and Entertainment Districts – Artistic Work – Eligibility

MACo Position: **SUPPORT**

To: Finance Committee

Date: March 15, 2016

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** SB 974 as it aims to increase the value of specially targeted economic development districts in local communities.

There are 24 Arts and Entertainment Districts (A&E Districts) across the state that help boost tourism, provide economic revitalization, and a sense of community for artists and lovers of art-based activity and creative enterprises in Maryland. Artists, businesses, and individuals living and working within the boundaries of A&E Districts may be eligible for three tax incentives: income tax subtraction modification, property tax incentive, and admission and amusement tax exemption.

SB 974 seeks to improve A&E Districts by expanding the types of artistic work that may qualify for district incentives. Currently, the artistic work must fall into certain categories including books, plays, sculptures, film and musical compositions. SB 974 would add graphic design, urban manufacturing, or architectural design to the list of eligible artistic works. It would also remove the exclusion of the creation or execution of artistic work for industry-oriented or industry-related production.

Expanding the list of eligible artworks would increase the attractiveness of these districts to small creative enterprises and would make the program more inclusive. Additionally, the current language relating to “industry specific” productions is vague. It is unclear what businesses would be prohibited. This may discourage businesses from locating within the districts because they may not qualify for the incentives.

MACo supports SB 974 as it endeavors to boost economic revitalization and creative enterprises in Maryland, and urges a **FAVORABLE** report.