

Article – Economic Development

§4–701. Definitions

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Artistic work” means an original and creative work that:
 - (1) is created, written, composed, or executed; and
 - (2) falls into one of the following categories:
 - (i) a book or other writing;
 - (ii) a play or performance of a play;
 - (iii) a musical composition or the performance of a musical composition;
 - (iv) a painting or other picture;
 - (v) a sculpture;
 - (vi) traditional or fine crafts;
 - (vii) the creation of a film or the acting within a film;
 - (viii) the creation of a dance or the performance of a dance;
 - (ix) the creation of original jewelry, clothing, or design; or
 - (x) any other product generated as a result of a work listed in items (i) through (ix) of this paragraph.
- (c) “Arts and entertainment district” means a developed district of public and private uses that:
 - (1) is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses; and
 - (2) ranges in size from a portion of a political subdivision to a regional district with a special coherence.
- (d) “Arts and entertainment enterprise” means a for–profit or nonprofit entity dedicated to visual or performing arts.
- (e) “Political subdivision” means a county or municipal corporation.
- (f) “Qualifying residing artist” means an individual who:
 - (1) owns or rents residential real property in the State;
 - (2) conducts a business in any arts and entertainment district; and
 - (3) derives income from the sale or performance within any arts and entertainment district of an artistic work that the individual wrote, composed, or executed, either alone or with others, in any arts and entertainment district.

§4–702. Scope

This subtitle does not apply to:

- (1) the creation or execution of artistic work for industry–oriented or industry–related production; or
- (2) tailoring services, clothing alteration, or jewelry repair.

§4–703. Criteria

- (a) The following political subdivisions may apply to the Secretary to designate an arts and entertainment district:
 - (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.

- (b) The application shall:
 - (1) be in the form and manner and contain the information that the Secretary requires by regulation;
 - (2) contain sufficient information to allow the Secretary to determine if the proposed district qualifies under §§ 4-701(c) and 4-704(a) of this subtitle; and
 - (3) be submitted for a political subdivision by its chief elected officer or, if none, its governing body.

§4-704. Designation of Arts and Entertainment District

- (a) The Secretary may designate an area as an arts and entertainment district only if the area is a contiguous geographic area that is wholly within a priority funding area as provided under § 5-7B-02 of the State Finance and Procurement Article.
- (b)
 - (1) Within 60 days after a submission date, the Secretary may designate one or more arts and entertainment districts from among the areas in the applications timely submitted.
 - (2) A county may not receive more than one arts and entertainment district designation in a calendar year.
- (c) The designation of the Secretary is final.
- (d) At any time, a political subdivision may reapply to the Secretary to designate as an arts and entertainment district an area that is not so designated.

§4-705. Expansion of Arts and Entertainment District

- (a) A political subdivision may apply to the Secretary to expand an existing arts and entertainment district in the same manner as the political subdivision would apply to designate a new arts and entertainment district.
- (b)
 - (1) Notwithstanding subsection (a) of this section and § 4-704(a) of this subtitle, in Queen Anne's County, the governing body may establish an arts and entertainment district composed of noncontiguous areas in the county, including noncontiguous areas within a municipal corporation in the county, subject to the Secretary's designation of the district as an arts and entertainment district in the county.
 - (2) In applying for the establishment of an arts and entertainment district in accordance with paragraph (1) of this subsection, the Queen Anne's County governing body shall comply with the provisions of § 4-703 of this subtitle.

§4-706. Tax Qualifications; Notification Requirements

- (a) In an arts and entertainment district:
 - (1) each qualifying residing artist is eligible for the income tax subtraction modification under § 10-207(v) of the Tax General Article;
 - (2) the property tax credit under § 9-240 of the Tax Property Article applies; and
 - (3) the exemption from the admissions and amusement tax under § 4-104 of the Tax General Article applies.
- (b)
 - (1) On or before July 1 preceding the effective date of its establishment, the Secretary shall notify the Comptroller that an arts and entertainment district is established.
 - (2) The subtraction modification under § 10-207(v) of the Tax General Article applies to each taxable year beginning after December 31 of the year in which the Secretary provides the notice required by paragraph (1) of this subsection.

§4-707. Adoption of Regulations

The Secretary shall adopt regulations on application procedures and criteria to designate arts and entertainment districts.

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