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Arts and Entertainment Districts Property Tax Credit Program Purpose and Description:

This program is designed to encourage the renovation of buildings for use by artists or arts and entertainment enterprises by lessening the financial burden on property owners. The City of Crisfield’s Arts & Entertainment District (“A&E District”) designation was made effective by the State of Maryland on July 1, 2018. All tax incentives are available from both the City of Crisfield (the “City”) and Somerset County (“County”). The Somerset County Commissioners may be contacted at 11916 Somerset Ave # 111, Princess Anne, MD 21853. Phone: (410) 651-0320.

The program provides an 100% 10-year property tax credit against the increase in property value due to renovations on buildings located in the designated A&E District that are wholly or partially renovated for use by a qualified residing artist or A&E enterprise.

APPLICATION PROCESS:

1. Contact arts@crisfieldcityhall.com **before beginning your project** to discuss eligibility. Waiting until the increased assessment is received risks investing in a project that is not eligible for this tax credit. Other tax incentives may be available for your project so please begin this discussion before you begin your project. See “Property Tax Credit Qualifications” for information on eligibility.
2. Tax assessment occurs every three years in Somerset County. If the renovation project and associated building adds less than \$100,000 to the assessable base value, the property owner must apply to the City Clerk/Treasurer for a tax credit within 90 days of receipt of an assessment notice reflecting the eligible assessment. Because no increase in taxes occurred in advance of this time, there will be no increased cost to the property owner during the wait for the 3-year assessment. When the property owner applies for an eligible tax credit upon receipt of the increased assessment, the Supervisor of Assessments for Somerset County will issue a revised assessment using a calculation to take into account the increased market value attributed to the renovations, apart from any other change to the assessed value due to other market conditions.
3. If a building permit is issued by the City for \$100,000 or more, an assessment will occur before the 3-year cycle. Once an increased assessment is received, the property owner must apply to the City Clerk/Treasurer for a tax credit within 90 days of receipt of an assessment notice reflecting the eligible assessment.
4. The property owner must complete the application and attach evidence of appropriate building and/or use permits. Building permits and certificates of use can be obtained from:

City of Crisfield,
319 W Main Street,
Crisfield, MD 21817
(Phone: 410.968.133)

5. The property owner must return the completed application with all supporting documentation to:

City of Crisfield
c/o City Clerk/Treasurer
319 W Main Street
Crisfield, MD 21817
(Phone 410.968.1333)

The following must be provided with the application:

- Building permit
- Tax assessment notice. This information can be obtained from:

Maryland State Department of Assessment and Taxation
301 West Preston Street, Room 808
Baltimore, MD 21201
(Phone 410.767.1191)

- An itemized list of all qualified residing artists and/or A&E enterprises that occupy the space subject to the property tax credit OR evidence that the property is wholly or partially constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise and that the property owner is actively seeking to rent the property.

6. The City Clerk/Treasurer and a committee, comprised of the City Inspector and representatives from the Crisfield Arts & Entertainment District Project, will review the application; and, if the application is approved, the City Clerk/Treasurer will provide this recommendation to the Supervisor of Assessments for Somerset County for a revised assessment. If disapproved, the City Clerk/Treasurer or their designee will contact the property owner.

7. By May 1 of every third year after approval, in order to continue to receive the property tax credit during the remainder of the eligible years, the property owner must submit:

- a. An itemized list of all qualified residing artists and/or A&E enterprises that occupy the space subject to the property tax credit; OR
- b. Evidence that the property is wholly or partially constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise and that the property owner is actively seeking to rent the property.

PROPERTY TAX CREDIT QUALIFICATIONS:

- The property tax credit applies only to improvements made on the property after July 1, 2018 and only for the portion used by a qualifying residing artist or A&E enterprise. This tax credit cannot be applied to any property for which any other tax subsidy from the City or County is being received or has been applied for, other than a Maryland Enterprise Zone Tax Credit.
- This property tax credit is transferable to a purchaser of the property for the remaining term of the credit, provided the property continues to meet continuing eligibility requirements.
- The eligible assessment will be determined by the Revenue Administration Division of State Department of Assessments and Taxation based on the qualifying renovations (Contact the Maryland Department of Assessment and Taxation at 410.767.1191)
- Qualifying renovations are those that are made to a manufacturing, commercial, or industrial building located in a State-designated A&E district and for use by a qualifying residing artist or A&E enterprise.

- Qualifying residing artists and A&E enterprises are defined in § 4-701 of the Economic Development Article of the Maryland Annotated Code:
 - Qualifying residing artist is an individual who owns or rents residential real property in the State, conducts a business in any arts and entertainment district, and 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. Arts and entertainment (A&E) enterprise is a for-profit or not-for-profit entity dedicated to visual or performing arts.
- To find out if you qualify, contact the Revenue Administration Division of the Maryland State Comptroller at 410.260.7980 for a complete listing of qualifying arts and entertainment enterprises. (Also refer to MD Tax Form 502AE.)
- The property owner must apply to the City Clerk/Treasurer for a tax credit within 90 days of receipt of an assessment notice reflecting the eligible assessment (Contact the Revenue Administration Division of the Maryland Department of Assessment and Taxation at 410.767.1191). The property owner must certify the date on which he/she receives the assessment notice and the City Clerk/Treasurer must receive the application within 90 days of that date. This 90 day time frame is NOT flexible and is strictly applied. Additionally, applications for the property tax credit will not be accepted after the 10th year from the date the district was designated by the State; the City's A&E District application will not be accepted after July 1, 2028.
- To remain eligible, the taxpayer must maintain the property in compliance with all City of Crisfield and Somerset County housing, building, health and fire code requirements, and any other applicable City and/or County Code requirements and remain current on all payments due to the City and/or County. The property (as a whole or the eligible portion of it) must also remain in use by a qualifying artist or A&E enterprise, with the taxpayer providing to the City Clerk/Treasurer a certification every three years of continued use OR provide evidence that the property is wholly or partially constructed or renovated to be capable for use by a qualifying residing artist or an arts and entertainment enterprise and that the property owner is actively seeking to rent the property.



Maryland Arts & Entertainment District Property Tax Credit - City of Crisfield

APPLICATION	
Property Owner	
Phone	
Cell	
Email	
<p>I hereby make oath that I am the present owner of the above property, that the subject property for which this tax credit application is submitted meets all of the requirements of the City of Crisfield and that the use of the building is by a Qualifying Arts and Entertainment Enterprise or by a residing artist and that this certification and the above information is true and correct.</p>	
Signature	
Company Name	
Address	
Phone	
Property Address (where improvements are to be made)	
Property ID # (or latest city tax bill, or settlement statement)	

PROJECT DETAIL

Rehabilitation or New Construction	Interior, Exterior or Both	Square footage of space dedicated to Arts/Entertainment
Start Date (month/year)	Completion Date (month/year)	Estimated Cost
/201	/201	\$
Description of building or dedicated space use		

COMPLETED PROJECT VERIFICATION – Due by May 1 *(for first eligible tax year)*

Name of Person Completing this Form	
Title/Position	
Phone	
Email	
Date	
Signature	

----- **INFORMATION BELOW FOR OFFICIAL USE ONLY** -----

CITY OF CRISFIELD			
Verified in A&E District Yes <input type="checkbox"/> No <input type="checkbox"/>	Estimated rehab square footage	Total property square footage	
DPW Staff Name			
DPW Approval Signature			
Date			
Base Assessment \$	Year	Year Tax Credit Ends	
Finance Staff Signature			
Name of Person Providing Verification			
Total Project Expenditure \$	Copies of Canceled Checks	<input type="checkbox"/> Copies of Permits	<input type="checkbox"/> Copies of Invoices <input type="checkbox"/>
Staff Name			
City Approval Signature			
Date			
SOMERSET SUPERVISOR OF STATE ASSESSMENTS			
Staff Name			
Signature			
Date			

Submit this fully completed form to the City of Crisfield, 319 W Main Street, Crisfield MD 21817 before May 1st to be eligible for the next tax year.