

(5) "QUALIFYING RESIDING ARTIST" MEANS AN INDIVIDUAL WHO:

(I) ~~RESIDES AT LEAST 180 DAYS ANNUALLY OWNS OR RENTS RESIDENTIAL REAL PROPERTY~~ IN AN ARTS AND ENTERTAINMENT DISTRICT AND CONDUCTS A BUSINESS IN THE ARTS AND ENTERTAINMENT DISTRICT; AND

(II) DERIVES INCOME FROM THE SALE OR PERFORMANCE WITHIN THE ARTS AND ENTERTAINMENT DISTRICT OF AN ARTISTIC WORK THAT THE INDIVIDUAL WROTE, COMPOSED, OR EXECUTED, EITHER SOLELY OR WITH ~~ANOTHER INDIVIDUAL~~ ONE OR MORE OTHER INDIVIDUALS.

(B) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY APPLY TO THE SECRETARY FOR DESIGNATION OF AN ARTS AND ENTERTAINMENT DISTRICT IN THE COUNTY OR MUNICIPAL CORPORATION IN WHICH:

(1) QUALIFYING RESIDING ARTISTS ARE ELIGIBLE FOR THE INCOME TAX SUBTRACTION MODIFICATION UNDER § 10-207(V) OF THE TAX - GENERAL ARTICLE;

(2) ~~THE SALES AND USE TAX EXEMPTION UNDER § 11-229 OF THE TAX - GENERAL ARTICLE APPLIES;~~

(3) A PROPERTY TAX CREDIT UNDER § 9-239 OF THE TAX - PROPERTY ARTICLE APPLIES; AND

(4) (3) AN EXEMPTION FROM THE ADMISSIONS AND AMUSEMENT TAX UNDER § 4-104 OF THE TAX - GENERAL ARTICLE APPLIES.

(C) AN ARTS AND ENTERTAINMENT DISTRICT SHALL BE A CONTIGUOUS GEOGRAPHIC AREA OF A COUNTY THAT IS:

(1) WHOLLY WITHIN A PRIORITY FUNDING AREA AS PROVIDED UNDER § 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

(2) WHOLLY WITHIN A DESIGNATED NEIGHBORHOOD AS DEFINED UNDER ARTICLE 83B, § 4-202 OF THE CODE.

(D) (1) THE SECRETARY SHALL GIVE THE COMPTROLLER NOTICE OF THE ESTABLISHMENT OF AN ARTS AND ENTERTAINMENT DISTRICT ON OR BEFORE JULY 1 PRIOR TO THE EFFECTIVE DATE OF ITS ESTABLISHMENT.

(2) THE SUBTRACTION MODIFICATION UNDER § 10-207(V) OF THE TAX - GENERAL ARTICLE SHALL BE APPLICABLE TO ALL TAXABLE YEARS BEGINNING AFTER DECEMBER 31 OF THE YEAR IN WHICH THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS PROVIDED.

(3) ~~THE SALES AND USE TAX EXEMPTION UNDER § 11-229 OF THE TAX - GENERAL ARTICLE SHALL TAKE EFFECT THE FIRST JANUARY 1 AFTER THE NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS PROVIDED.~~