

**RESOLUTION NO. 1931**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND AGREEING TO REMOVE THE EAST SIDE MEN'S CLUB PROPERTIES FROM THE JUNE 16, 2010 TAX SALE.

WHEREAS, East Side Men's Club has requested a tax exemption for its fiscal year 2009 and fiscal year 2010 real property taxes; and

WHEREAS, East Side Men's Club per the Annotated Code of Maryland Tax – Property, § 9-324 provides the City authority to grant a tax credit for East Side Men's Club; and

WHEREAS, historically with the majority of East Side Men's Club requests over the years the Salisbury City Council has approved such a tax credit; and

WHEREAS, the property is currently used by the Fraternal Order of the Eagles Aerie 4503, which is a tax exempt/ non profit fraternal organization who donates funds to community organizations; and

WHEREAS, there are currently issues surrounding who owns the property; and

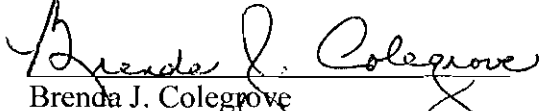
WHEREAS, the City Council desires for the issues to be resolved prior to considering granting any tax waiver, but the property is scheduled to be sold at the annual tax sale scheduled for June 16, 2010; and

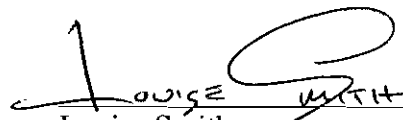
WHEREAS, the City Council does not want to create additional issues related to the sale of the property at tax sale;

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Salisbury, Maryland does request that all properties owned by the East Side Men's club be removed from the tax sale listing and not be sold on June 16, 2010.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on June 14, 2010, and is to become effective immediately.

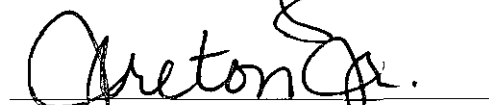
ATTEST:

  
Brenda J. Colegrove  
City Clerk

  
Louise Smith  
Council President

APPROVED BY ME THIS

15<sup>th</sup> day of June, 2010

  
James Treton, Jr., Mayor

# Memo

**To:** John R. Pick, City Administrator  
**From:** Pamela B. Oland, Director of Internal Services *PBO*  
**Date:** June 7, 2010  
**Re:** East Side Men's Club

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We received the attached request from the East Side Men's Club for a tax exemption for property taxes owed for FY 2009 and FY 2010. The request is necessary since they do not qualify as tax exempt under IRS regulations and may only be declared exempt with approval by City Council. The enabling legislation permitting the City and Wicomico County to grant a property tax credit contained in the Michie Annotated Code of Maryland Tax – Property, § 9-324 (attached).

As discussed at a work session on May 17, 2010, East Side Men's Club is no longer a private men's club. In August 17, 2007, City Council unanimously granted an exemption to East Side Men's Club for its FY 08 real property taxes. On February 14, 2008, East Side Men's Club transferred the property to the Fraternal Order of the Eagles Aerie 4503 a tax exempt/non profit fraternal organization (document attached). Thus at the start of FY 09 no property taxes were assessed on this property.

On February 26, 2009 a quit claim deed transferred the property back to the East Side Men's Club. Since East Side Men's club is not tax exempt, taxes were owed for the remainder of FY 09 and all of FY 10. It was only recently that the Eagles became aware that the property was no longer in their name. They have been working with the East Side members to transfer the property back into the Eagles name. Until that can be arranged, East Side Men's club is asking that the property taxes be exempted.

East Side Men's club has no income and other than this property has no assets. Additionally, the FOE 4503 has donated significant funds to local charities as outlined in the attached letter. Wicomico County has also received a request for a waiver of the property taxes. Since the issues associated with the property transfer have not yet been resolved, the Wicomico County attorney is recommending that the property be pulled from the June 16, 2010 tax sale and meetings be held between East Side, the City and the County. Once a final resolution has been determined by East Side about the property, then the City and the County can make an informed decision as to whether or not grant the tax waiver. The County Attorney has agreed to pull this property from the tax sale rolls and attached is a resolution authorizing the City to pull the property as well.

If you have any questions, please let me know.