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**SENATE BILL NO. 777**

Senate Amendments in [ ] - January 21, 2005

A *BILL to amend and reenact § 15.2-1129.1 of the Code of Virginia, relating to arts and cultural districts.*

Patron Prior to Engrossment—Senator Potts

Referred to Committee on Local Government

**Be it enacted by the General Assembly of Virginia:**

**1. That § 15.2-1129.1 of the Code of Virginia is amended and reenacted as follows:**

§ 15.2-1129.1. Creation of arts and cultural district.

A. The cities of Harrisonburg ~~and~~, Charlottesville, [ *Petersburg*, ] *and Winchester* may by ordinance establish within their boundaries an arts and cultural district for the purpose of increasing awareness and support for the arts and culture in the city. Each city may provide incentives for the support and creation of arts and cultural venues in the district. Each city may also grant tax incentives and provide certain regulatory flexibility in an arts and cultural district.

B. The tax incentives may be provided for up to ~~ten~~ 10 years and may include, but not be limited to: (i) reduction of permit fees; (ii) reduction of user fees; and (iii) reduction of any type of gross receipts tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.

C. Each city may also provide for regulatory flexibility in such zone which may include, but not be limited to: (i) special zoning for the district; (ii) permit process reform; (iii) exemption from ordinances; and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to ~~ten~~ 10 years.

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