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**HOUSE BILL NO. 518**

Offered January 11, 2006

Prefiled January 9, 2006

*A BILL to amend the Code of Virginia by adding in Chapter 38 of Title 58.1 an article numbered 10, consisting of a section numbered 58.1-3851, relating to the creation of local tourism zones.*

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Patron—Armstrong

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Referred to Committee on Finance

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

**1. That the Code of Virginia is amended by adding in Chapter 38 of Title 58.1 an article numbered 10, consisting of a section numbered 58.1-3851, as follows:**

*Article 10**Local Tourism Zone.*

*§ 58.1-3851. Creation of local tourism zones.*

*A. Any city, county, or town may establish, by ordinance, one or more tourism zones. Each locality may grant tax incentives and provide certain regulatory flexibility in a tourism zone.*

*B. The tax incentives may be provided for up to ten 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. The governing body may also provide for regulatory flexibility in such zone that 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 years.*

*D. The establishment of a tourism zone shall not preclude the area from also being designated as an enterprise zone.*

INTRODUCED

HB518