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**HOUSE BILL NO. 914**

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Counties, Cities and Towns  
on February 2, 2024)

(Patron Prior to Substitute—Delegate Shin)

*A BILL to amend and reenact § 15.2-2306 of the Code of Virginia, relating to local historic districts; tax incentives.*

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

**1. That § 15.2-2306 of the Code of Virginia is amended and reenacted as follows:**

**§ 15.2-2306. Preservation of historical sites and architectural areas.**

A. 1. Any locality may adopt an ordinance setting forth the historic landmarks within the locality as established by the Virginia Board of Historic Resources, and any other buildings or structures within the locality having an important historic, architectural, archaeological or cultural interest, any historic areas within the locality as defined by § 15.2-2201, and areas of unique architectural value located within designated conservation, rehabilitation or redevelopment districts, amending the existing zoning ordinance and delineating one or more historic districts, adjacent to such landmarks, buildings and structures, or encompassing such areas, or encompassing parcels of land contiguous to arterial streets or highways (as designated pursuant to Title 33.2, including § 33.2-319 ) found by the governing body to be significant routes of tourist access to the locality or to designated historic landmarks, buildings, structures or districts therein or in a contiguous locality. A governing body may provide in the ordinance that the applicant must submit documentation that any development in an area of the locality of known historical or archaeological significance will preserve or accommodate the historical or archaeological resources. An amendment of the zoning ordinance and the establishment of a district or districts shall be in accordance with the provisions of Article 7 (§ 15.2-2280 et seq.). The governing body may provide for a review board to administer the ordinance and may provide compensation to the board. The ordinance may include a provision that no building or structure, including signs, shall be erected, reconstructed, altered or restored within any such district unless approved by the review board or, on appeal, by the governing body of the locality as being architecturally compatible with the historic landmarks, buildings or structures therein.

2. Subject to the provisions of subdivision 3 the governing body may provide in the ordinance that no historic landmark, building or structure within any district shall be razed, demolished or moved until the razing, demolition or moving thereof is approved by the review board, or, on appeal, by the governing body after consultation with the review board.

3. The governing body shall provide by ordinance for appeals to the circuit court for such locality from any final decision of the governing body pursuant to subdivisions 1 and 2 and shall specify therein the parties entitled to appeal the decisions, which parties shall have the right to appeal to the circuit court for review by filing a petition at law, setting forth the alleged illegality of the action of the governing body, provided the petition is filed within 30 days after the final decision is rendered by the governing body. The filing of the petition shall stay the decision of the governing body pending the outcome of the appeal to the court, except that the filing of the petition shall not stay the decision of the governing body if the decision denies the right to raze or demolish a historic landmark, building or structure. The court may reverse or modify the decision of the governing body, in whole or in part, if it finds upon review that the decision of the governing body is contrary to law or that its decision is arbitrary and constitutes an abuse of discretion, or it may affirm the decision of the governing body.

In addition to the right of appeal hereinabove set forth, the owner of a historic landmark, building or structure, the razing or demolition of which is subject to the provisions of subdivision 2, shall, as a matter of right, be entitled to raze or demolish such landmark, building or structure provided that: (i) he has applied to the governing body for such right, (ii) the owner has for the period of time set forth in the same schedule hereinafter contained and at a price reasonably related to its fair market value, made a bona fide offer to sell the landmark, building or structure, and the land pertaining thereto, to the locality or to any person, firm, corporation, government or agency thereof, or political subdivision or agency thereof, which gives reasonable assurance that it is willing to preserve and restore the landmark, building or structure and the land pertaining thereto, and (iii) no bona fide contract, binding upon all parties thereto, shall have been executed for the sale of any such landmark, building or structure, and the land pertaining thereto, prior to the expiration of the applicable time period set forth in the time schedule hereinafter contained. Any appeal which may be taken to the court from the decision of the governing body, whether instituted by the owner or by any other proper party, notwithstanding the provisions heretofore stated relating to a stay of the decision appealed from shall not affect the right of the owner to make the bona fide offer to sell referred to above. No offer to sell shall be made more than one year

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60 after a final decision by the governing body, but thereafter the owner may renew his request to the  
61 governing body to approve the razing or demolition of the historic landmark, building or structure. The  
62 time schedule for offers to sell shall be as follows: three months when the offering price is less than  
63 \$25,000; four months when the offering price is \$25,000 or more but less than \$40,000; five months  
64 when the offering price is \$40,000 or more but less than \$55,000; six months when the offering price is  
65 \$55,000 or more but less than \$75,000; seven months when the offering price is \$75,000 or more but  
66 less than \$90,000; and 12 months when the offering price is \$90,000 or more.

67 4. The governing body is authorized to acquire in any legal manner any historic area, landmark,  
68 building or structure, land pertaining thereto, or any estate or interest therein which, in the opinion of  
69 the governing body should be acquired, preserved and maintained for the use, observation, education,  
70 pleasure and welfare of the people; provide for their renovation, preservation, maintenance, management  
71 and control as places of historic interest by a department of the locality or by a board, commission or  
72 agency specially established by ordinance for the purpose; charge or authorize the charging of  
73 compensation for the use thereof or admission thereto; lease, subject to such regulations as may be  
74 established by ordinance, any such area, property, lands or estate or interest therein so acquired upon the  
75 condition that the historic character of the area, landmark, building, structure or land shall be preserved  
76 and maintained; or to enter into contracts with any person, firm or corporation for the management,  
77 preservation, maintenance or operation of any such area, landmark, building, structure, land pertaining  
78 thereto or interest therein so acquired as a place of historic interest; however, the locality shall not use  
79 the right of condemnation under this subsection unless the historic value of such area, landmark,  
80 building, structure, land pertaining thereto, or estate or interest therein is about to be destroyed.

81 The authority to enter into contracts with any person, firm or corporation as stated above may  
82 include the creation, by ordinance, of a resident curator program such that private entities through lease  
83 or other contract may be engaged to manage, preserve, maintain, or operate, including the option to  
84 reside in, any such historic area, property, lands, or estate owned or leased by the locality. Any leases or  
85 contracts entered into under this provision shall require that all maintenance and improvement be  
86 conducted in accordance with established treatment standards for historic landmarks, areas, buildings,  
87 and structures. For purposes of this section, leases or contracts that preserve historic landmarks,  
88 buildings, structures, or areas are deemed to be consistent with the purposes of use, observation,  
89 education, pleasure, and welfare of the people as stated above so long as the lease or contract provides  
90 for reasonable public access consistent with the property's nature and use. The Department of Historic  
91 Resources shall provide technical assistance to local governments, at their request, to assist in  
92 developing resident curator programs.

93 B. Notwithstanding any contrary provision of law, general or special, in the City of Portsmouth no  
94 approval of any governmental agency or review board shall be required for the construction of a ramp  
95 to serve individuals with disabilities at any structure designated pursuant to the provisions of this  
96 section.

97 C. Any locality that establishes or expands a local historic district pursuant to this section shall  
98 identify and inventory all landmarks, buildings, or structures in the areas being considered for inclusion  
99 within the proposed district. Prior to adoption of an ordinance establishing or expanding a local historic  
100 district, the locality shall (i) provide for public input from the community and affected property owners  
101 in accordance with § 15.2-2204; (ii) establish written criteria to be used to determine which properties  
102 should be included within a local historic district; and (iii) review the inventory and the criteria to  
103 determine which properties in the areas being considered for inclusion within the proposed district meet  
104 the criteria to be included in a local historic district. Local historic district boundaries may be adjusted  
105 to exclude properties along the perimeter that do not meet the criteria. The locality shall include only  
106 the geographical areas in a local historic district where a majority of the properties meet the criteria  
107 established by the locality in accordance with this section. However, parcels of land contiguous to  
108 arterial streets or highways found by the governing body to be significant routes of tourist access to the  
109 locality or to designated historic landmarks, buildings, structures, or districts therein, or in a contiguous  
110 locality may be included in a local historic district notwithstanding the provisions of this subsection.

111 D. Any locality utilizing the urban county executive form of government may include a provision in  
112 any ordinance adopted pursuant to this section that would allow public access to any such historic area,  
113 landmark, building, or structure, or land pertaining thereto, or providing that no subdivision shall occur  
114 within any historic district unless approved by the review board or, on appeal, by the governing body of  
115 the locality as being compatible with the historic nature of such area, landmarks, buildings, or structures  
116 therein with regard to any parcel or parcels that collectively are (i) adjacent to a navigable river and a  
117 national park and (ii) in part or as a whole subject to an easement granted to the National Park Service  
118 or Virginia Outdoors Foundation granted on or after January 1, 1973.

119 E. A locality that establishes a local historic district pursuant to this section may provide tax  
120 incentives for the conservation and renovation of historic structures in such district. Such incentives may  
121 include tax rebates to the extent allowed by the Constitution of Virginia. For the purposes of this

**122** section, "historic structure" means a structure designated as having an important historic, architectural,  
**123** archaeological, or cultural interest or designated as a contributing structure by an ordinance passed  
**124** pursuant to subsection A.