

STATE POLICY BRIEFS

Tools for Arts Decision Making

STATE CULTURAL DISTRICTS

State arts agencies increasingly are taking a leadership role in establishing policies to cultivate place based economic development and community revitalization through arts and culture. Cultural districts offer one mechanism to attain these goals by unifying multiple businesses, organizations and the community in areas with potentially significant cultural resources.

State cultural districts are special areas, designated or certified by state governments, that utilize cultural resources to encourage economic development and cultivate synergies between the arts and other businesses.¹ State cultural districts have evolved into focal points that feature many types of businesses, foster a high quality of life for residents, attract tourism and engender civic pride.

Trends

There are now [18 states](#) with a formalized state role in the creation of cultural districts. Sixteen of them have active statewide cultural district programs, and two (Arkansas and Nebraska) have a legislatively enacted policy to support cultural districts but have yet to launch a program. Collectively, the 16 statewide programs have established more than 343 unique cultural districts across the country. Because there is a strong focus on certifying new cultural districts in some states, like Massachusetts and Colorado, the number of state-certified districts likely will continue to grow. Also, more states with established cultural districts are pursuing methods of [evaluation](#). The growth in the number of states pursuing cultural districts as a policy initiative speaks to the growing importance of arts based placemaking and economic development strategies among state arts agencies. Although each state has a unique political landscape and set of circumstances surrounding its initiatives, several trends have emerged:

Contents

Trends	1
Outcome Goals	2
State Roles	4
Common State Challenges ...	6
State Success Factors	9
Evaluation	10
Recommendations	13
Additional Resources	13
State Programs and Legal Authority	14
State Tax Incentives	15
Acknowledgments	16

¹ The composition and character of cultural districts vary tremendously among—and even within—states. The policies explored in this brief all emphasize the arts, but often do so in combination with other cultural domains including heritage, historic preservation, recreation and entertainment. Activities within cultural districts include a mixture of commercial and nonprofit ventures led by both individuals and institutions. This document uses the term *cultural district* to encompass all of this diversity.

National Assembly of
State Arts Agencies

National Assembly of
State Arts Agencies
1200 18th Street, NW
Suite 1100
Washington, D.C. 20005
Tel: 202-347-6352
Fax: 202-737-0526
TDD: 202-296-0567
nasaa@nasaa-arts.org
www.nasaa-arts.org

© 2020 by the National
Assembly of State Arts
Agencies



This work is licensed under
a Creative Commons
Attribution-NonCommercial
4.0 International License.

STATE CULTURAL DISTRICTS

- A cautious approach to pursuit of state tax incentives
- An emphasis on technical assistance for certified districts
- An increased focus on evaluation

Of the six states that most recently have established cultural district programs, none has introduced state level tax incentives associated with these districts. (In 2013, however, Rhode Island's artwork sales-tax exemption became applicable statewide.) This trend may be influenced by the lack of will among state governments to relinquish revenues during periods of budget tightening. Also, a bill without a fiscal impact may have an easier path to enactment.

State Cultural Districts and Cultural Tax Districts

State cultural districts encourage arts based economic development and community revitalization in multiple areas across a state. These districts may provide state incentives, financial or otherwise, to encourage further cultural, community and economic development.

Cultural tax districts establish local tax authorities to leverage investment in arts and culture. Similar to local transit authorities, these districts generate revenues through special county or municipal taxes (often sales or property taxes) that allow the authority to fund cultural organizations within the district.

Qualitative and anecdotal evidence showing the benefits of cultural districts continues to mount. While this trend is positive, only a limited number of quantitative evaluations have been completed. As additional studies reveal the economic and placemaking outcomes of cultural districts, the argument to augment or pass new legislation for cultural districts with state tax incentives could be fortified. As [evaluative evidence](#) for cultural districts increases and state budget conditions improve, the environment for adding tax benefits and for enabling more districts across more states becomes a greater possibility.

For additional information about trends in this area, see NASAA's [State Cultural District Programs Strategy Sampler](#), which explores the key issues of implementing and managing cultural district programs.

Outcome Goals

An increasing number of states recognize that a thriving creative sector is a powerful economic development asset.² Cultural districts are one strategy that states have adopted to boost their economies while realizing many other cultural and civic benefits. The intended

² See [NASAA's Creative Economy Resources](#) and [New Engines of Growth: Five Roles for Arts, Culture and Design](#) (National Governors Association, 2012).

outcomes of cultural districts extend beyond the arts and cultural sector to benefit all members of a community. Those goals may include:

Attracting artists and cultural enterprises to a local community. Artists, cultural institutions and creative enterprises all contribute to a community's economic potential. Not only do they generate direct economic activity, but artists and creative entrepreneurs also can infuse communities with energy and innovation, which enhance the economic and civic capital of a location.

Encouraging business and job development. Cultural districts can create a hub of economic activity that helps an area become an appealing place to live, visit and conduct business. A thriving cultural scene helps a locality to prosper when consumers drawn to cultural attractions patronize other nearby businesses. This can result in the creation of new economic opportunities and jobs in both the cultural sector and other local industries.

Addressing both urban and rural needs. Metropolitan and rural areas present distinct economic development concerns. Cultural districts are a highly adaptable economic development approach that can take a community's unique conditions, assets, needs and opportunities into account because each district is uniquely developed according to these factors.

Establishing tourism destinations. Cultural districts are marketable tourism assets that highlight the distinct identity of communities and encourage in-state, out-of-state and even international visitors. Localities with strong related industries (such as restaurants, lodging and recreation) become especially attractive destinations for cultural, recreational and business travelers.

Preserving and reusing historic buildings. Some states use cultural districts as a way to stimulate historic preservation. Adaptive reuse and rehabilitation of older buildings through preservation tax credits can result in structural and façade improvements. Rehabilitated buildings and spaces are opportunities for affordable cultural workforce housing, artist live/work space and new homes for cultural organizations that can serve as anchor attractions in a cultural district.

Enhancing property values. Cultural districts may revitalize and beautify cities, towns and regions. Many successful districts combine improvements to public spaces (such as parks, waterfronts and pedestrian corridors) with property development planning. These plans can include efforts to target the redevelopment of abandoned properties, rehabilitate historic

STATE CULTURAL DISTRICTS

sites, and recruit businesses to occupy vacant spaces or encourage the building of new mixed-use spaces. Together, these strategies facilitate a healthy mixture of business and residential activity and can contribute to reduced vacancy rates and enhanced property values.

Fostering local cultural development. The establishment of a cultural district provides a focal point for celebrating and strengthening a community's cultural identity. Cultural districts provide localities with opportunities to highlight existing cultural amenities as well as mechanisms to recruit and establish new artists, cultural industries and organizations.

State Roles

States provide leadership and a helping hand in the creation and growth of cultural districts. State arts agencies are often, but not always, a leading partner. Regardless of what department or agency leads the cultural district program, the following activities are typical of state government.

Cultivating creative places. State arts agencies have a potentially unique role in identifying and cultivating creative places in a variety of areas across a state. Recognition of locations in both urban and rural settings allows for state agencies strategically to cultivate cultural growth from a regional perspective. By identifying local areas that possess an organic milieu of cultural activity, by understanding and acknowledging local creative placemaking policy efforts, and by creating state and local partnerships, initiation and implementation of state cultural districts can be effective catalysts for cultivating creative communities across a state.

Common Collaborators

A variety of state agencies have been involved in state cultural district programs:

- department of economic development
- department of tourism
- division of cultural affairs
- historic preservation
- state Main Street office (may be government or nonprofit)
- small business administration
- state arts agencies

Certifying districts. States typically develop qualifying criteria and an application process allowing communities to apply for state certification or designation. The requirements and procedures for certifying districts vary from state to state and may be defined in enabling legislation. If devoid of this language, legislation could name the agency or department responsible for determining criteria or standards.

Articulating standards. Most programs set standards for cultural district certification. These standards may outline the state's expectations for the presence of cultural assets in an area as well as collaborations, planning, resource development, leadership and accountability. In addition to informing designation decisions, such standards usefully articulate exemplary practices and can propagate successful strategies statewide. States typically support individuality among local districts, encouraging each district to offer something that is culturally authentic, unique to its locality and appropriate to its economic circumstances. Along with accommodating this diversity, however, states also need to establish a common baseline of quality and success. This ensures that visitors to each district have a rewarding experience, helps districts to be sustainable over time and increases the likelihood of the program attaining the state's policy objectives.

Providing technical assistance and planning help. States can provide local districts with technical assistance and professional development opportunities and can assist with cultural and strategic planning efforts. Another state role can be to convene leaders of local districts to network and share best practices, innovative programs and administrative achievements.

Ensuring broad and equitable program benefits. A statewide program helps to ensure that all communities in a state have the opportunity to develop cultural districts. Policies that allow for flexibility in the setting (urban, rural, suburban) and composition of districts make it possible for a wide range of communities—and therefore citizens—to reap the economic, civic and cultural benefits.

Offering incentives to encourage business development. States use a variety of tax incentives to foster business development within local cultural districts. Exemptions and credits for artists and businesses within a district encourage activity and contribute to a locality's bottom line. Examples of [state incentives](#) include:

- Sales tax credits or exemptions for goods produced or sold within the district
- Property tax credits or exemptions for qualified renovations or construction
- Income tax credits or exemptions for artists living and working within the district
- Preservation tax credits for historic property renovations and rehabilitation
- Amusement/admission tax waivers for events within the district
- Eligibility for special loan funds

Facilitating local access to state assistance. States determine eligibility criteria for assistance, promote the availability of incentives and help localities understand guidelines

STATE CULTURAL DISTRICTS

and procedures. Local district coordinators then encourage the participation of local artists, businesses and developers.

Enhancing the visibility of cultural districts. Through marketing and promotional efforts, a state can help attract traffic and tourism to local districts. States also can play a role in developing program style guides that result in consistent, recognizable branding throughout state districts.

Fostering a supportive climate for the arts and culture. One of the most important things a state can do to support cultural districts is to advocate for a state environment that values and financially supports the arts and culture as a public good. Demonstrating the value and impact of the cultural sector to government helps to make a case for continued support of district development.

Delegate the power to create cultural districts to the municipal level. As an alternative to state-certified cultural districts, many states have statutory language granting local government structures the power to establish cultural districts. These laws allow cultural districts to be designated on the city level, with various rules and regulations promulgated by the state. For example, [Virginia](#) allows for cities to offer reductions on user fees, tax reductions on gross receipts and rebates towards real estate property taxes for up to 10 years. [New Mexico](#) also employs both systems, in which, in municipalities with a population greater than 50,000, cultural districts can be state-authorized or municipally authorized. Other examples of these statutes exist in (but are not limited to) Maine, Mississippi, Missouri, Ohio, and Wisconsin.

Common State Challenges

States face a series of challenges that may impede the creation and success of a statewide cultural district program. Governing structures, political environments and social and geographic contexts vary from state to state, but many have found it challenging to:

Pass enabling legislation. The first, and sometimes most difficult, challenge that a state faces is the passage of an enabling statute that sets policy for a district program and authorizes the use of state resources or incentives for that purpose. Successful legislation typically requires organized messages about the benefits of districts, an influential leader within the legislature who is willing to champion the bill and a cohort of constituents who can demonstrate willingness to participate in the program.

Support equitable investments. Gentrification—the process by which current residents are displaced through drastic increases in rent, property values and services—can be an

unintended consequence of success. Displacement of existing residents can lead to the loss of a region's unique and authentic identity, diminish local support, and inflict economic hardship on those who have lost their homes. This erosion of community can hinder the sustainability of the district, as it limits the circle of stakeholders with a vested interest in the development's success.

Gentrification disproportionately hurts residents who have been historically disadvantaged (including people of color, low-income families and older adults) when affluent, often white populations displace marginalized communities. There is no easy answer to mitigate gentrification because these issues are tied to historic structural racism and other long-standing causes of social and economic inequities. However, state art agencies can consider numerous policies, partnerships and actions to ensure positive and equitable cultural district outcomes. Items to consider include:

- requiring community-driven planning processes that specifically reach out to populations of color, lower-income households and residents traditionally excluded from commercial development decision making;
- examining models of sustainable, resident-centered districts and reflecting those success factors in district guidelines;
- working with state and local officials in housing, health and human services, transportation, and other relevant departments to consider systemic policies to fight gentrification;
- monitoring data that speaks to socioeconomic changes within cultural districts and their surrounding areas.

Integrate existing districts into a statewide program. While it is positive that a state already has vibrant thriving cultural areas, it can be a challenge to gain buy-in from a local district that has been operating on its own terms without state involvement. When starting a new state level initiative, involved parties should assess the planning, marketing and financing systems that already may be in place at the local level.

Adapt guidelines to both rural and urban needs. States can encounter challenges in tailoring guidelines to the varying characteristics of urban, suburban and rural areas. Certification criteria and designation procedures need to offer sufficient flexibility (in how incentives are structured, in how financing options are defined or in other requirements) to address varying community needs.

Provide financial support. Most financial benefits offered by states accrue to property developers, businesses or producers of goods within a designated cultural district. Funding for the planning and management of the district itself is less common. Some grants from state arts or other agencies may provide funding for planning, projects or programs within a local district. It is important that cultural and community groups within a district learn about these forms of support and how to apply for funding.

Evaluate the program. An impediment to the long-term success of state arts and cultural districts is the lack of evaluative data. To fully understand the scope, depth and impact of these programs, states need to collect consistent data from local districts. Ideally, this data combines key economic indicators with data designed to measure each district's progress toward achieving the unique goals set forth in its plan. Given the administrative constraints on many local districts, consistent and comprehensive data is not always easily obtainable.

Secure resources for state level program management. Some states do not appropriate funds or personnel to manage or promote the state level program. Instead, it becomes a job that is shared among agencies or added to an existing position. Allocating sufficient resources for state level coordination can optimize a state's efforts to implement this type of policy.

Local Challenges

Although every arts and cultural district is unique, the following challenges can occur in districts large and small as well as in rural, urban and suburban areas.

- **Gentrification** is an unintended consequence of success. Displacement of existing residents can lead to the loss of a region's unique and authentic identity and diminish local support.
- **Staffing and administration** prove to be two of the most common challenges for local districts. Many districts are staffed as part-time or volunteer positions.
- **Financing and securing funding** for districts is one of the most difficult challenges a local district administrator faces. Even when creative partnerships are used to augment resources, funds for planning and promoting local districts can be difficult to secure.
- **Relevance to local residents** needs to be considered with equal respect to efforts that attract tourism. Districts face hardship when they do not have the support of their own community.
- **Long-term planning** contributes to the success of cultural districts. Planning and evaluation of local efforts can be time consuming and can demand extra resources, but are crucial to sustaining a local district.
- **Speculators sometimes hold vacant properties**, making them inaccessible for purchase or use within a district. When owners of key structures keep central properties off the market, it may impede the progress of the district.

State Success Factors

State cultural district programs define success from many perspectives. Programs can achieve success by promoting local cultural, economic and social assets, revitalizing downtowns and rural areas, unifying communities, engaging local residents through arts and culture, or attracting tourism dollars to communities within the state. Below are actions that can lead to such success.

Facilitate dynamic

partnerships. States that engage in interdepartmental and interagency efforts can benefit from the experience, specialized knowledge and diverse points of view of all partners. Involving state arts agencies, historic preservation offices, departments of economic development and departments of tourism in collaborative efforts can make a state program stronger and better equipped for future challenges. This can result in a greater diversity of services offered to local cultural districts.

Cultivate strong advocates for cultural districts and the arts

in general. States that demonstrate the value of cultural districts to their state and local government as well as the private sector are more likely to see a receptive climate.

Provide professional development opportunities for local district managers.

Managing a local district

Success Factors for Local Districts

The ideas below have been identified as common success factors among local arts and cultural districts.

- **A unique authentic identity** highlights what is special about the district and community.
- **Community support** of a district initiative helps to ensure continued success.
- **Strategic partnerships** leverage community resources.
- **Inclusive cultural and strategic planning** creates a vision for a cultural district with input from the broader community.
- **Sustainable artist live/work spaces** provide artists and entrepreneurs with a productive environment.
- **Committed developers** understand the power of arts and culture in community and economic development.
- **Anchor institutions and special events** become the cornerstones of a community and cultural district.
- **Artists are partners**, not products, and are valued as members of the community.
- **Artist recruitment is an organized effort** that shows how a community is willing to welcome new artists and facilitate their establishment.
- **High accessibility of venues and events** ensures that arts participation in the district is available to all community members and visitors.
- **Clear demarcation** of the district is reinforced through district boundaries, good signage, and consistent use of logos, maps and other visual aids.
- **Space planning** sets priorities for land use and designs solutions for housing, transportation and accessibility.
- **Marketing and promotion** attract visitors, potential residents and new businesses.
- **Strong amenities** such as restaurants, lodging and recreation bolster arts districts and their communities.

STATE CULTURAL DISTRICTS

requires time and energy, as well as a specific blend of cultural and economic knowledge and skills. States that help to equip local district leaders with professional development, convening opportunities or other forms of direct support improve local districts' chances of success.

Communicate the benefits of the creative economy. A supportive climate for district development occurs when all stakeholders understand the importance of the arts and culture to a state's economic future. A strong fact base about the economic benefits of arts and culture can help advocates and members of the cultural community to ensure that these messages are communicated consistently and clearly.

Secure support from both the public and private sectors. Thriving cultural districts rely on a mixture of public and private resources, as well as the enthusiasm of many people who wield both economic and political influence in a state or locality. The success of any cultural policy requires support from elected officials, including governors, legislators, mayors and city council members. Other key supporters include the staff of elected officials and the leaders of key civic and educational institutions. In addition to public-sector leaders, the commitment of private land developers, businesses and financial institutions also is critical since they are responsible for pivotal decisions and investments.

Combine support mechanisms to local districts, including artists, arts organizations and cultural industries. The designation of a district and incentives stated in legislation are just the beginning phases of a program. Successful districts combine partnerships, financing strategies and services in ways that catalyze community reinvestment and growth over time.

Evaluation

The availability of evaluation studies of state cultural districts is somewhat limited, though several studies have been produced recently. As cultural districts are established for the long term, and as more data and evaluation techniques come to light, the availability of cultural district evaluations should grow. Evaluation studies have been developed in Iowa, Maryland and Texas. In Louisiana and Kentucky, the evaluation approach has been heavily integrated into the certification program and requires each certified district to submit results on an annual basis. Other states, like Colorado and New Mexico, combine analysis with mini case studies into their annual reports. The following overviews of studies present multiple methodological approaches for states to consider.

[Iowa's Historic Preservation and Cultural and Entertainment District Tax Credit Program Evaluation Study](#) was conducted by the Iowa Department of Revenue and focuses on the impacts of the tax credit associated with Iowa Cultural and Entertainment Districts. These

tax credits were an extension of an already existing historic preservation tax credit in Iowa that became available for properties within Cultural and Entertainment Districts. The duality of the tax credit may make the impact evaluation of cultural and entertainment districts more difficult, though the study does show increased levels of investments occurring within certain cultural districts. The study calls for additional future evaluation.

[Maryland Arts and Entertainment Districts](#)

[Impact Analysis FY 2018](#) details the economic and fiscal impacts of Maryland's Arts & Entertainment Districts. The study heavily relies on quantitative economic data, detailing employment, wages and economic impact associated with Arts & Entertainment Districts. Although the intrinsic, social and community development benefits of districts are not considered, the economic framing of the study, and the fact that the research was conducted on long-established cultural districts, creates a compelling case for the economic benefits of cultural districts in Maryland.

Placemaking Research Resources

States considering evaluation of cultural districts should take into account the growing trends of placemaking and arts-based community development. NASAA's [Creative Placemaking Research and Resources](#) present a curated selection of key creative placemaking literature—including policy papers, case studies, and research on impact measurement and validation. The information serves as a primer on creative placemaking practices as well as an annotated bibliography to facilitate further investigation of them.

In 2010, Texas commissioned [research](#) to define indicators for potential use in evaluating cultural districts. This indicator approach attempts to create a system to monitor investment and job creation within Texas Cultural Districts. Indicators have the potential to reflect important data points over a period of time. This type of longitudinal data could be helpful to track the progress of cultural districts, depending on the economic values, public benefits or other evaluation factors chosen. In 2016, Texas built off this work by commissioning [four case studies](#) to examine the economic impacts of grant funding on tourism's economic impact. This study used some of the same indicators proposed in 2010 while also introducing new indicators to better capture specific economic data.

Louisiana cultural districts are required by statute to submit annual reports on cultural and economic development data contributing to the goals of cultural districts. An annual [executive summary](#) of these reports assists legislators in seeing the continued benefits of state tax incentive investments in cultural districts.

STATE CULTURAL DISTRICTS

In Kentucky, each certified cultural district is required to submit an annual public value report. This mechanism allows districts to report on both intrinsic and economic value factors in cultural districts, including cultural accomplishments, rehabilitation projects and property prices. Other states, like [South Carolina](#) and [Texas](#), also require annual reports from cultural districts that include data ranging from sales tax reports to number of local and nonlocal visitors.

New Mexico Arts Commission's [annual report](#) combines electronic survey results with on-site performance reviews to evaluate three "key areas": creative growth and infrastructure improvement, support provided by the cultural district, and resources solicited by the cultural district and partners. Statistics on employment, infrastructure and investment are accompanied by mini case studies of each cultural district, including their goals for the following year. Similarly, Colorado's [annual report](#) includes data on employment, visitors and value added alongside accomplishments from each cultural district.

Determining evaluation techniques for place based initiatives can be difficult due to the complexities of the local environment. For instance, real estate markets, labor forces, design initiatives and regional economies may influence the economic outcomes of cultural district policies. Also, not all goals of cultural districts are best assessed solely in economic terms. When thinking about evaluation, states should consider an approach that will be compelling to stakeholders and legislators and that relates to the intent of cultural district policies.

Evaluation can take many forms, and the use of both secondary and primary data can create the ability to assess continuously the impact of cultural districts. State agencies conducting evaluative research must consider the quality of data sources and analysis in order to make a compelling case. In designing a research approach, measurement and analysis techniques must be considered carefully in consultation with experts. This being said, there are a number of data types for state agency decision makers to consider when preparing for an evaluation. Examples of these data sets include:

- use of incentives
- employment for a defined set of creative occupations
- overall district employment
- creative industry employment
- taxable sales data for relevant businesses in a district
- property tax bases and property values
- property occupancy and vacancy rates
- presence of creative businesses and nonprofit arts organizations
- state grants assisting artists and nonprofit arts organizations in the area
- population statistics for the district
- crime rate statistics
- surveys of community perception

- interviews and focus groups with artists and entrepreneurs in the district
- state resources expended on the program
- local infrastructure investments

The growing number of states engaging in cultural district policies puts state arts agencies in a position to influence how place based cultural initiatives are evaluated. Consideration of current research, trends and outcome goals will be relevant in determining evaluation techniques.

Recommendations

Statewide cultural district policies can be one part of a broader policy portfolio designed to help states capitalize on their cultural resources to encourage economic prosperity and civic well-being. To maximize success, states exploring this policy strategy can:

- **Consult legislation and guidelines from other states.** See [page 14](#) for links to information on policies, programs and incentives.
- **Institute evaluation processes.** Whether this takes the form of economic impact data or qualitative feedback, collecting information on the success of the program can inform future efforts inside and outside of a state.
- **Share lessons learned.** The National Assembly of State Arts Agencies (NASAA) serves as a clearinghouse for the ideas and experiences of states experimenting with innovative cultural policies. To learn more about state level cultural district programs, or to share your own experiences, contact NASAA Senior Director of Research Ryan Stubbs, ryan.stubbs@nasaa-arts.org.

Additional Resources

[NASAA's Creative Economy Resources](#) provide practical tools, timely information and strategic technical assistance to cultural leaders at the state and regional levels. These resources are designed to help state arts agencies make informed policy decisions about the creative economy in their states.

[Arts and Culture Districts: Financing, Funding, and Sustaining Them](#) and [State Cultural Districts: Policies, Metrics, and Evaluation](#) are both part of a five-essay series commissioned by Americans for the Arts to provide guidance on starting, sustaining, and growing cultural districts. Together, the papers address and offer models to overcome the challenges of funding and evaluating cultural districts.

STATE CULTURAL DISTRICTS

[Governance Models of Cultural Districts](#), from the Global Cultural Districts Network, incorporates interviews and surveys of cultural district managers with case studies and a literature review to offer insights into how to incorporate the voices of a community into the future of its cultural district.

[Strategic Planning for Arts, Culture, and Entertainment Districts](#), by Amanda J. Ashley, provides a short summary of the conversation around cultural districts and six lessons for those looking to begin or improve a cultural district.

[Creating Change through Arts, Culture, and Equitable Development](#), published by PolicyLink, offers a guide to equitable development as led by the creative sector. Through equity-oriented artistic and cultural development, communities can reinforce equal access to opportunity and create vibrant and economically resilient communities.

[Perspectives on Cultural Tax Districts](#), by the Western States Arts Federation and the Washington State Arts Commission, details the proceedings from a 2008 seminar held in Seattle. Seminar participants discussed the benefits, structure and impact of cultural tax districts and examined several proposed, unsuccessful and current tax districts.

State Level Cultural District Programs and Legal Authority

State	Program Name	Established	Legal Authority	State Authority
Arkansas	Arts and Cultural District*	2011	<u>HB 1760 of 2011</u>	Arkansas Arts Council
California	<u>Cultural Districts</u>	2015	<u>Title 2, Division 1, Chapter 9.2, Section 8758</u>	California Arts Council
Colorado	<u>Creative Districts</u>	2011	<u>Title 24, Article 48.5, Sections 314-315</u>	Creative Industries Division within the Colorado Office of Economic Development
Connecticut	<u>Cultural Districts</u>	2019	<u>Public Act No. 19-143</u>	Locale's regional service organization as designated by the commissioner of economic and community development
Indiana	<u>Arts and Cultural Districts</u>	2008	<u>Title 4, Article 23, Chapter 2, Section 7</u>	Indiana Arts Commission
Iowa	<u>Cultural and Entertainment Districts</u>	2005	<u>Title VII, Subtitle 7, Chapter 303, Section 303.3B</u>	Iowa Department of Cultural Affairs
Kentucky	<u>Creative Districts</u>	2011	not legislatively created**	Kentucky Arts Council

STATE CULTURAL DISTRICTS

Louisiana	Cultural Districts	2007	RS 47:297.6; RS 47:6019; RS 47:305.57; Admin Code Title 25, Part I, Chapter 11	Department of Culture, Recreation and Tourism
Maryland	Arts & Entertainment Districts	2001	Economic Development, Division 1, Title 4, Subtitle 7, Section 4-701-707	Program administration: Maryland State Arts Council. District authorization: department of commerce.
Massachusetts	Cultural Districts	2010	Part 1, Title II, Chapter 10, Section 58A	Massachusetts Cultural Council
Nebraska	Creative Districts*	2020	Chapter 82, Statute 312-313	Nebraska Arts Council
New Mexico	Arts and Cultural Districts	2007	Chapter 15, Article 5A	Program administration: New Mexico Economic Development Department's Main Street Program. District authorization: New Mexico Arts
Oklahoma	Cultural District Initiative	2013	not legislatively created**	Oklahoma Arts Council
Rhode Island	Tax-Free Arts Districts	1998	Title 44, Section 44-18-30.B	Rhode Island State Council on the Arts
South Carolina	Cultural Districts	2014	Act 232 of 120th Session	South Carolina Arts Commission
Texas	Cultural Districts	2005	Title 4, Subtitle D, Chapter 444, Subchapter A, Section 444.031	Texas Commission on the Arts
Washington	Certified Creative Districts	2017	Title 43, Chapters 43.46.100-43.46.115	Washington State Arts Commission
West Virginia	Certified Arts Community	2005	Admin Code Title 82, Series 10	West Virginia Commission on the Arts

*Arkansas and Nebraska have a legislatively established cultural district policy, but do not yet have an operating cultural district program.

**Kentucky and Oklahoma each created and actively run a program not based on legislated policy.

State Tax Incentives Available through Cultural District Programs

State	Admissions & Amusement Tax Exemption	Income Tax Credit	Preservation Tax Credit	Property Tax Credit	Sales Tax Credit
Arkansas					
California					
Colorado					
Connecticut					
Indiana					

STATE CULTURAL DISTRICTS

Iowa			•		
Kentucky					
Louisiana*			•		•
Maryland	•	•		•	
Massachusetts					
Nebraska					
New Mexico			•		
Oklahoma					
Rhode Island**		•			•
South Carolina					
Texas					
Washington					
West Virginia					

*Louisiana's state sales tax credit has been suspended until 2025 due to financial hardship. However, local sales tax credits are still in effect.

**Rhode Island enacted legislation in 2013 extending the sales-tax benefits of Tax-Free Arts Districts to all artists and galleries working in Rhode Island, effectively making the entire state a cultural district.

Acknowledgments

This brief is based on a review of existing state statutes and guidelines as well as extensive interviews with state program coordinators, local district managers, artists and organizations working in cultural districts. NASAA expresses our deep appreciation to all of the individuals who contributed their diverse perspectives.

The initial iteration of this policy brief, authored by Jesse Rye, was released in 2008. In 2015, the brief was updated by Ryan Stubbs to include an expanded discussion of policy trends, evaluations and recommended resources. Content areas added or expanded in 2020 include municipal authority, equitable investment, evaluation examples and resources. The total number of state-certified cultural districts listed is current as of August 2020. The State Policy Briefs series editor is Kelly J. Barsdate.

The National Assembly of State Arts Agencies

The National Assembly of State Arts Agencies (NASAA) is the membership organization that serves the nation's state and jurisdictional arts agencies. NASAA helps state arts agencies fulfill their many citizen service roles by providing knowledge services, representation and leadership programs that strengthen the state arts agency community. NASAA also serves as a clearinghouse for data and research about public funding and the arts. For more information on the work of state arts agencies, call 202-347-6352 or visit nasaa-arts.org.

State Policy Briefs synthesize research on key issues affecting the arts and state arts agencies. Designed to inform decision making at the state level, this series provides information on state arts agency policy alternatives and innovative strategies for serving the

public. For information on ways to build political and constituent support for the arts, consult [NASAA's Advocacy Tools](#).

The work of NASAA and of state arts agencies is supported and strengthened through funding and programming partnerships with the National Endowment for the Arts.