

PROTECTING HISTORIC & CULTURAL RESOURCES

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WHY IT MATTERS

Virginia is home to a remarkable array of historic and cultural landmarks that span American history, from Indigenous capitals like Werowocomoco, to Revolutionary and Civil War battlefields, to Rosenwald schools and Civil Rights landmarks. While preservation efforts have made progress, many sites remain at risk from unchecked development, rising seas and flooding, and deferred maintenance. As population growth continues and development, such as data centers, accelerates, historic resources face mounting threats, including destruction due to rising land values. Sites of significance to Virginia's Black, Indigenous, and People of Color (BIPOC) communities are particularly vulnerable, having long been underrepresented in preservation priorities.

The upcoming 250th anniversary of American independence represents a moment of national reflection and an unparalleled opportunity for Virginia to lead in honoring the complex and layered stories that define our shared past. Heritage tourism generates more than \$7 billion each year in Virginia, with a goal of increasing this impact during the commemoration. By investing in preservation now, we can ensure that future generations inherit a more inclusive and complete understanding of the people and events that shaped both Virginia and the nation.

PROGRAMS & OPPORTUNITIES

Impending cuts to funding programs at the federal level will inevitably impact the Commonwealth's budget in the coming years. The Department of Historic Resources (DHR) receives 17% of its budget from the National Park Service Historic Preservation Fund, which is in jeopardy of being severely reduced in the federal government's FY26 budget. Virginia will need to take action to protect existing programs and backfill for the decrease in federal funding.

HISTORIC REHABILITATION TAX CREDIT (HRTC)

The HRTC has revitalized thousands of properties statewide by incentivizing the rehabilitation of older buildings by individuals and organizations. It generated \$6.8 billion in private investment between 1997 and 2020, benefiting communities large and small.¹ Currently, property owners can claim 20% of eligible rehabilitation costs, and credits can be carried forward up to 10 years.

This tax credit delivers economic, environmental, and community benefits. Any move to restrict the program with an overall cap would undermine its effectiveness and limit access for smaller-scale users.

VIRGINIA LAND CONSERVATION FUND (VLCF)

Currently funded at \$16 million annually, VLCF has a strong track record but struggles to keep pace with escalating prices. Increasing its allocation to \$30 million annually would enhance its ability to safeguard priority properties across the Commonwealth.

LAND PRESERVATION TAX CREDIT

This program enables eligible landowners to receive an income tax credit up to 40% of the value of their donated land or conservation easement, up to \$20,000 a year, and carry the credit over for up to 10 years.

VIRGINIA BATTLEFIELD PRESERVATION FUND (VBPF)

VBPF preserves battlefield land from the American Revolution and Civil War, including sites associated with the Medal of Honor. Funded at \$5 million annually, it successfully attracts significant federal and private matching funds, yielding a 6:1 return on state dollars. More than 11,000 acres have been protected through the program.

BLACK, INDIGENOUS, AND PEOPLE OF COLOR (BIPOC) FUND

The Virginia BIPOC Historic Preservation Fund is a newer program designed to address gaps in preservation by supporting underrepresented historic sites and stories. It plays a critical role in broadening public understanding of Virginia's diverse heritage. In its Spring 2025 grant round, DHR received 58 applications totaling \$28 million in requests, demonstrating the tremendous need for the preservation of historic sites of color.

Sustained and increased funding is essential for this program to fulfill its mission of expanding access and elevating historically overlooked places. Early grant rounds have shown strong interest, confirming the need for at least \$1 million in additional funding annually. DHR provides technical assistance to local organizations, enabling groups to apply who previously had not benefited from such a process.

SEMIQUINCENTENNIAL FUNDING

In anticipation of the quickly approaching 250th anniversary (semiquincentennial) of the Declaration of Independence, Governor Youngkin and the General Assembly established the Virginia 250 Preservation Fund during the 2024-2026 biennial budget process. The first grants were awarded early in 2025, totalling \$20 million to 35 projects. DHR received 166 full applications totaling \$95 million, demonstrating the clear enthusiasm for this funding source.

The \$20 million set aside for 250th anniversary preparations is a strong start, but continued support will

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be needed. These funds will support preservation, interpretation, and infrastructure improvements that deepen public engagement with our shared heritage.

TOP TAKEAWAYS

Federal funding cuts will likely create budget shortfalls and staffing concerns for the Department of Historic Resources.

As the semiquincentennial quickly approaches, funding to support the preservation and restoration of Virginia's historic sites is needed more than ever before. Strong and continued funding for the land preservation grant programs ensures funding can keep up with rising property values.

Historic Rehabilitation Tax Credits have a significant track record of success and should not be capped.

ENDNOTES

1. *2015-2020 Fiscal Impact Study of Virginia's HRTC Program*. (October 2023). VCU Center for Public Policy. https://www.dhr.virginia.gov/wp-content/uploads/2024/01/HRTC-Final-Report_12.18.23.pdf