



February 4, 2022

Fuels Tax Suspension Moves Forward in House

One of Governor Glenn Youngkin's campaign promises was to suspend for a year the five cent motor fuel tax that was effective on July 1, 2021. The legislation to accomplish that objective would actually go even further by also delaying the increase tied to the consumer price index (currently about 3.5 cpg) for one year, until July 1, 2023. Because these items involve state revenue, it is certain that this debate will occur as a part of a House-Senate conference committee and that a resolution will not be known until shortly before adjournment on March 18.

Labor Issues

Under legislation passed last year, Virginia's minimum wage is scheduled to gradually increase to \$15 by 2025. Legislation passed the House this week by a 51-48 vote that would freeze the wage at its current level of \$11/hour. Chances for that passing the Senate are slim to non-existent.

Liquor Liability

Legislation to impose liability on sellers of alcohol products died this week. This was a dangerous precedent setting bill that would have increased liability and insurance costs for all sellers of alcohol. An impressive coalition was formed to fight this ban and we are grateful to those who performed yeoman's service to defeat [this bill](#).

Tobacco Licensing

As we have previously explained, Delegate Patrick Hope of Arlington again filed legislation to require every tobacco seller to be licensed and inspected yearly. In light of the large revenue surplus currently available, and in attempt to gain additional support, this year's bill eliminated the annual license fee. However, we continue to oppose the bill as the intent of the public health and anti-tobacco groups is to revoke licenses for those that sell to underage persons. Advocates also made nonsensical claims such as the rate of underaged sales went up after Virginia raised for the age for purchasing tobacco products from 18 to 21. They also stated that the lack of inspections during the pandemic would result in a loss of federal funding for anti-smoking programs. We offered Delegate Hope an alternative plan that would have independently studied the rate of underaged purchases, the amount of federal funds available and the impact of the Tobacco 21 legislation. Ultimately were

unable to reach an agreement and the bill was defeated 7-1. It will be back.

Skill Games

While Video Gaming Terminals is off the table for now, it is possible, if not likely, that we will see further action on skill games before the end of session. While the General Assembly rarely interferes with issues that are currently subject of a court order, there will be legislation moving through the process relative to casinos. During that process, it would not be surprising if the casinos seek to clear the field of the opposition by a ban on skill games as well.