



February 25, 2025

General Assembly Wraps Up

The Virginia General Assembly concluded its 2025 session on Saturday afternoon. With one notable exception for heating oil and propane companies (explained below) we are pleased to report that no legislation was passed that will negatively impact the membership.

Tobacco

Just last year, comprehensive legislation was passed on youth access to tobacco and penalties for underage sales. We were able to demonstrate that sales of age restricted products have declined precipitously since Virginia adopted Tobacco 21. The result was a bill that increased fines and penalties, but focused specifically on locations that had made more than one underage sale in the previous year. With the ink barely dry on last year's law, we were extremely disappointed when the Senate passed legislation this year to more than double penalties, and impose license revocation after a third underage sale. Fortunately, this bill was defeated in the House. However, legislation is now on its way to the governor that will require a comprehensive study of enforcement of tobacco laws, how it will be funded, and a requirement that every tobacco seller be subject to an unannounced inspection every 24 months. We will monitor that process closely as some have suggested funding the new inspection requirements with a new annual inspection fee for each retail location that sells tobacco products.

Transportation Electrification

This year the General Assembly considered several bills relative to electrification of transportation. Readers are reminded that under the Clean Economy Act Virginia is scheduled to be carbon free by 2035, and this gubernatorial election will decide whether the state goes back to the California mandate that at all vehicles sold in the state after 2035 are electric. House bill 2087 related to electric chargers, and as originally drafted would have prohibited utility competition, within in exclusion zone from any privately operated fast charger on fast charges in operation or permitted by 2027. The bill was amended in the Senate to provide this same protection to all 3300 locations in Virginia that sell fuel to the motoring public. Further changes in the bill include a mandate that the utilities establish programs to incentivize and facilitate the deployment of electric vehicle charging infrastructure for light-duty, medium-duty, and heavy-duty vehicles, including a program to provide incentives and technical

assistance to, or partnerships with, petroleum distributors and convenience stores to expand such fueling services to include fast-charging stations. In addition, the bill now provides that before the end of 2019, the SCC shall review electrification plans to promote small business investment and competition in transportation electrification, including by petroleum distributors and convenience stores.

Skill Games

On the first day of the legislative session, Governor Youngkin announced that he would not be supporting skill games restoration. Despite this the Virginia Senate added a plan to re-start skill games to their version of the state budget. The House did not agree, and as a result restoration of skill games will not be addressed until 2026 at the earliest. On a related front, over the last year there has been considerable activity surrounding establishment of a state gaming commission to put oversight under one roof, and to consider new or expanded gambling offerings. However, this was not enacted this year.

Conversion of Low Income Homes to Heat Pumps

Two bills have passed that would attempt to convert low income homes heated by heating oil and propane to electricity. While this bill does not provide funding for the conversions, it amounts to the "camel's nose under the tent" on the issue. It provides for conversion only at locations that have "fuel delivered to the premises and stored on sight" which specifically targets heating oil and propane directly. Over the coming days both our association and the propane association will determine the next steps to defeat these bills.

Elections

In November, Virginians will vote for a new governor, attorney general and lieutenant governor. All 100 seats in the House of Delegates will be determined. With only one exception in the past century, the party losing the White House has prevailed in Virginia elections the following year, and time will tell us if that remains true in this November election. We know that one party rule, such as we saw from early in the decade is not good for employers or free enterprise in the Commonwealth.