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Many Issues Impacting Membership at 2020 General Assembly

Despite the fact that 30 percent more bills have been filed than during a typical legislative session, the pace of committee action has been slow so far in the 2020 session. This means that 1731 House and 1014 Senate bills will have to be vetted through the committee process in the next three weeks and then passed in their house of introduction by Tuesday, February 11. This will create a frenetic pace over the coming weeks and, very likely, weekend meetings which we have not seen for many years. Following is a summary by subject of some of the key industry issues we are addressing on behalf of the membership.

Fuel Taxes

Speaker of the House Eileen Filler Corn and Senate Majority Leader Dick Saslaw have each introduced legislation to increase Virginia's fuels tax by four cents per gallon for three consecutive years and then to tie future tax rates to the increase in the Consumer Price Index. Our position is that the Transportation Climate Initiative, which has been endorsed by the Northam Administration and would mandate reduced sales of gasoline and diesel by at least four percent each year, ultimately banning 80 percent of gasoline and diesel sales in 20 or 30 years, will destroy Virginia's Transportation Trust Fund and nullify any tax increases contained in this year's bill. In short, TCI must be taken off the table before tax increases are considered.

Mobile Fueling

California based Booster Fuels has received tens of millions of dollars in venture capital funding to expand their footprint and they are spending lots of it on lobbyists to attack bans on the practice both in the Virginia State Code and the Virginia Fire Code. Last week they sent

two Booster employees to a meeting of the state fire code work group to repeal a ban on mobile fueling that was adopted on a consensus basis in 2017. Next they are supporting legislation by Delegate David Reid of Loudoun that will repeal the ban on mobile fueling statewide. This legislation, currently in the Finance Committee, will likely be moved to the Transportation Committee.

Internet Lottery

There are many bills that would end the ban on Virginia Lottery games being sold on the internet. We have traditionally opposed that initiative in that it would move customers out of stores and onto smart phones and home computers to make their purchases. Additionally, efforts to add internet sales have invariably included lifting the ban on lottery purchases by credit card. Credit card sales and resultant bank fees would have the impact of significantly reducing the five percent base sales commission which has remained the same for thirty years. Any changes on internet sales will need to consider the impact on store sales by lottery partners who have been key to its growth over the last three decades.

Games of Chance

By any measure, the number of these machines in Virginia stores has skyrocketed in the last 18 months. This has not gone unnoticed in Capital Square in Richmond with more than a dozen bills touching on the subject. The legislation ranges from outright bans on all forms of gaming in convenience stores and truck stops, to adding games of chance to the mix, to allowing skill machines, but with state registration and taxation - which would range from 10 to 33 percent of revenue. Still to be determined is whether there will be an initial registration fee paid to compensate for time the machines have been unregulated. The ultimate outcome of this issue is uncertain as there are also several related subject matter bills including sports and casino betting, who will administer and oversee expanded gaming.

Labor and Employment Issues

Based upon Democratic majorities in both branches of the legislature, it is not a question of whether there will be an increase in the current minimum wage of \$7.25 an hour. The question is how much will the increase be and will it be phased in over time? A likely scenario will be an immediate increase to \$10.00 per hour with future increases to up to \$15.00 per hour. The issue of paid time off for a wide variety of family leave will also receive strong consideration. A major point will be whether the time off will be mandated on all employers or

if it will contain a small business exception.

Plastic Bag Bans

After years of discussion there appears to be bi-partisan consensus this year on legislation to impose a five cents per bag fee on plastic bags sold in stores. Excluded would be plastic bags used to hold perishable foods and alcoholic beverages. Of course this will result in confusion as to how to address bags that contain items other than perishables and/or beer and wine.

Tobacco Taxes

The Northam Administration has proposed increasing the state tobacco tax from 30 cents per pack to \$1.30 per pack. We are working with our partners in this industry to demonstrate to legislators how this negatively will impact tobacco sellers particularly with regard to incidental purchases made by tobacco customers.

While we are still reviewing some of the most recent legislation filed as late as Friday afternoon, we have put together a list of industry related bills which you can [view here](#).