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## **Tax bills**

We enter the second week of the 2021 General Assembly session still adapting to the challenges presented by the all virtual proceedings. So far we have been able to have discussions with legislators and staff on pending issues, but it remains to be seen how input during the all-important committee meetings will happen, if at all. Nevertheless, all parties are subject to the same procedures, and it appears that there will be substantially fewer bills this year than last. To date we have identified several issues impacting the membership which are described below in greater detail. The full slate of issues we have to address will not be known until the bill filing deadline this Friday, January 22.

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## **Grey Machines**

The campaign to keep games of skill operating in Virginia received an unexpected boost this week when Governor Northam announced in his State of the Commonwealth speech support for allowing the games to remain in stores beyond July 1. The Rebuild VA program, funded thru grey machine revenue, has given nearly \$120 million in grants to more than 2,500 Virginia small businesses and nonprofits, helping them get through the impact of Covid 19. Two thirds of those grants have gone to minority, woman, or veteran owned businesses. Additionally, more than \$40 million has gone to businesses in low-income areas. Next week members of the House General Laws Committee are expected to consider [HB 1880](#) which will extend the skill machines thru June 2022. This fight will not be easy, as the Las Vegas based “casino on every corner” lobby will attempt to pass a bill in the Senate that will allow games of chance at convenience stores.

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## **Tobacco Licensure**

Last year Delegate Patrick Hope of Arlington introduced tobacco licensing legislation that would have moved regulation and inspection of tobacco sellers to the Department of Health and Behavioral Services, allowed the agency to charge unlimited registration fees, conduct unannounced inspections, and possibly revoke licenses. We have met with Delegate Hope and other businesses, as well as with the anti-smoking lobby over the summer and a new bill, [HB 2164](#), has emerged. While it requires licensing, and possible suspensions after a third underage sale, registration fees have been removed and administration and inspections would be conducted by the ABC department rather than the adversarial Department of Health and Behavioral Services. The anti-smoking groups have pushed for this legislation, claiming that that COVID has resulted in no inspections for minors attempting purchases since last winter, and high incidents of underage sales will lead to loss of federal dollars for anti-smoking programs. We have countered that the anti-smoking lobby does not take into account the change in law two years ago that moved the legal age to

purchase to 21, and remain hopeful that the 21 year age limit has addressed this issue.

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## **ABC Licenses**

There are several bills to allow restaurants and other on premise location to continue to sell mixed drinks to go. This practice, begun after COVID closures, has reportedly assisted many on premise licensees stay afloat during continued patron and hours of operation limits. Additionally, readers will recall that ABC license fees were scheduled to increase on July 1. It now appears that any fee increases will be delayed until 2022.

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## **TCI Gone for Now but not Forgotten**

Virginia announced shortly before Christmas that it would not be signing on to the Transportation Climate Initiative, a proposal that would have eventually eliminated fossil fuels in the Commonwealth. In light of its temporary demise, several bills have been filed to boost the effort to electrify transportation in Virginia. Delegate Rip Sullivan of Arlington has introduced [HB 2282](#), legislation that calls for a State Corporation Commission study of ways to promote electrification of transportation in Virginia. This bill reads like a consolation prize for those that supported the TCI, but would take no action until completion of the SCC study in 2022. The Sullivan bill would declare it the policy of the Commonwealth to promote electrification of transportations and possibly allow utilities to send ratepayers bills for expansion- while still requiring, of course, the petroleum industry to self fund any electric chargers or other infrastructure.

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## **Green New Deal**

Once again Delegate Sam Raoul is calling for Virginia to adopt a form of the Green New Deal in [House bill 1937](#) with the goal of removing carbon from electric generation by 80% by 2028 and by 100% in 2035 and thereafter. It would also establish a moratorium on major new fossil fuel projects and gas pipelines. While unlikely to pass in its present form, he does have one good provision to establish a commission to assess the fossil fuel industry over time. We have asked him to include industry trade associations into that provision of the bill arguing that it should not be dominated by environmental groups and labor unions unfamiliar with the industry.

Legislation is also pending to encourage the Commonwealth to ramp up sales of clean fuel vehicles. This could include mandates of the number of electric cars to be sold each year and subsidized electric charging stations. Other bills would authorize state funded rebates for the purchase of electric vehicles and require that Virginia adopt California's restrictive clean air standards for vehicle emissions and advocate for state subsidies for the purchase of electric vehicles. It lies likely that a number of these ideas will be combined for consideration and I would expect most to be included in the mandated SCC study with a report to legislators in mid-2022.

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## **Food Inspections**

[House bill 2275](#) establishes a new food inspection requirement under the Department of Agriculture and Consumer Services. Under present law, retail food establishments are issued a permit annually at a cost of \$40. Under the new law the permit will only be issued after an inspection by the department. The bill would allow the commissioner to suspend the permit if it found that conditions exist that present a significant health hazard to the public. We will be seeking amendments to exempt existing permit holders and to prescribe what constitutes a health hazard and establish an appeals procedure and timetables.