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## Fuels Tax for I-81 Locations Dead for the Year

The proposed local fuels tax for all jurisdictions along I-81 is dead for the year, but not without a coordinated effort by several Virginia associations to impose this new 7.6 cent per gallon tax in I-81 locations. Among those testifying in support of the local gas tax were the Virginia Manufacturers Association, the Virginia Trucking Association, the Virginia Retail Federation, the Virginia Agribusiness Council, Virginia Poultry Council, Virginia Forest Products Association and several others. In response I pointed out that the position of each of these lobbying organizations is "don't tax me, tax that other industry behind the tree." We showed that proposed revenue from the fuels tax would be far less than projected as motorists would simply avoid the tax by fueling elsewhere. Further we demonstrated that this unfairly targeted the petroleum/convenience industry as it was only projected to raise \$60 million of the \$225 million needed for the project. Of course none of the associations testifying in favor of the regional gas tax offered to help fund the remaining \$165 million project cost.

At this point we are right back to where we were last year. There will be another study of I-81 issues and how to fund them. However, 2020 will mean many new faces in the General Assembly and a concerted efforts for regional and perhaps a statewide fuels tax increase. This effort will likely gain traction so long as there is a large differential between Virginia taxes and the border states. At least a few times a week I hear that the gas tax difference between (Virginia Border location) and (out of state station) is 15 cents but the price is the same. Our long time policy is that any changes to fuels taxes must be statewide and maintain our competitive advantage over neighboring states. We need to be prepared for an effort to increase fuels taxes -one that grows louder each session.

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## Bad News So Far on Sign Bill

Wednesday the House Transportation Committee approved [Senate Bill 1535](#). As we

described last week this bill was filed as the result of the Potomac Mills Mall sign that failed last year and threatened to land on Interstate 95. However SB 1535 will have ramifications far beyond the 42 signs VDOT says are covered by the bill. This week's problem was that the sign bill's consideration occurred at the very same time as local gas taxes were being discussed elsewhere by another Senate committee. Just before the Transportation meeting closed, we requested that this bill be brought up again for consideration and described our specific opposition to several of its provisions. The chairman, Senator Bill Carrico asked VDOT if they would work with us on amendments to assuage our concerns and they agreed. We met with them twice yesterday and have yet to see language. As there is no House companion legislation we will have several opportunities to address this issue in the House if VDOT continues to be unresponsive in the coming days.

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## **Online Lottery Heading to Study**

This week, the Virginia Senate and House decided to pull in the reigns of the effort to expand gambling in Virginia. Each branch has decided that its investigative arm, the Joint Legislative Audit and Review Commission, should study the issues regarding casinos, sports betting, appropriate jurisdictions, and online versus bricks and mortar gaming establishments. Included within this is a study of online lottery, which was put on hold by US Department of Justice in January. The legislation calls for the studies to be completed in time for consideration of gambling legislation in the 2020 session.