



February 3, 2020  
[www.vpcma.com](http://www.vpcma.com)

## Games of Skill in Trouble

House and Senate committees have each passed legislation to ban "games of skill" in Virginia. However, the outcome of this issue is still very much in doubt as the governor has included revenue from regulating these games in his proposed budget and other bills to regulate and tax these machines are still alive in the House Appropriations and the Senate Finance and Appropriations Committees. The House objection focuses on the fact that they were installed without specific approval of the General Assembly and remain un-taxed today. Despite the fact that many store operators were present during committee consideration this week, Appropriations Chair Luke Torian scolded those in attendance telling them that had game manufacturers gone thru proper channels, store owners would not be facing prohibition. Unfortunately, the Senate has sought to expand the type of machines allowed to include "games of chance" and to specifically exclude all machines from convenience stores, while allowing any gambling device to be located in restaurants and truck stops. VPCMA opposes any language limiting machines to restaurants and truck stops at the expense of convenience stores. It is unfortunate and outside the lines of common legislative courtesy that the lobbyists proposing these changes have chosen not to share their intentions with others - instead choosing to unveil last minute surprise substitutes advancing the financial interests of the few (their clients) over the many. Further complicating this matter is the fact that this week committees will be considering about a dozen concepts to bringing casino gaming to Virginia for the first time. How that debate influences in-store gaming remains to be seen. At this moment the fate of "games of skill" is tenuous at best.

---

## Motor Fuel Taxes

As we have reported, the governor's proposal to increase motor fuels taxes by four percent a year over three years and then index the rate to inflation has been introduced by the House Speaker and Senate Majority. These bills have advanced in party line votes. Also in the mix this year is a bill by Delegate Delores McQuinn of Richmond, the new House Transportation Chair, that would expand the regional taxes in Hampton Roads, I-81 and Northern Virginia to metropolitan Richmond. Another bill by Senator John Edwards of Roanoke would add the

regional taxes statewide. If this were to pass, the statewide tax on July 1, 2022 would be 35.8 cents per gallon, a situation whereby we would lose our competitive edge over the border states.

---

## **Transportation Climate Initiative**

Readers will remember that some members of the Northam Administration have been pushing for the last year and a half the so-called "Transportation Climate Initiative" which would cap gasoline and diesel sales forever in 2022, then impose rationing and a mandatory sales decline between 4 and 8 percent every year for ten years. New taxes of between 5-18 cents per gallon would be imposed on what remained. Basically it would impose a slow death sentence on the petroleum marketing and convenience industries.

During the session VPCMA has embarked on an education campaign to legislators on the impact of this plan, showing that it will cripple Virginia's transportation trust fund, and that other border states save Maryland are not considering TCI. Our education continued this week in testimony by Natural Resources Secretary Matt Strickler in both House and Senate where he was asked some very tough specific questions about TCI. He walked back his past enthusiastic endorsement of the plan to saying that "they are engaging in a dialogue" and "holding conversations with other states." One very encouraging note was that he stated publicly for the first time that they cannot carry this out by regulation - agreeing that any such change would have to be passed by a future General Assembly. This is certainly welcome news and will help to assure that voices of Virginia based business will be heard as we seek to defeat this ill-conceived policy. After the legislative session concludes you will be receiving more information on a program to further educate legislators and opinion leaders why rationing, taxation and prohibition is the wrong policy for Virginia.

---

## **Mobile Fueling**

During my rush to get out information on the mobile fueling vote on Thursday I neglected to mention the outstanding help we received from the AASOA, the Asian American Store Owners Association and its President Minesh Patel in particular. Their phone calls and emails to legislators opposing House bill 779 were crucial to defeating the legislation and we want to extend a special THANK YOU to AASOA!

---

## **Plastic Bags**

As of Friday morning it appears that both the House and Senate want to impose a five cent fee on each plastic bag provided over the counter. Included are exceptions for perishable food and alcoholic beverages. Of the five cent fee, sellers would be able to retain a penny.

Legislators are divided over whether to make the fee applicable statewide or to allow it only after it is approved by a local ordinance. More action will take place this week.

---

## **Tobacco Taxes and Licensing**

We are pleased to report that the House and Senate bills that would have increased taxes by \$1.30 per pack were killed this week. Still viable is the governor's proposal to increase the tax by 30 cents/pack which could go higher during budget deliberations. Legislation to limit flavored products to only tobacco or menthol is moving thru the process and we have opposed it strongly. Before going down this road, we need to evaluate how increasing the purchase age to 21 has reduced youth access. Killed this week was a duplicative licensing and registration bill that would have imposed a new \$75 per location annual fee on tobacco sellers.

---

## **Minimum Wage**

The only thing certain is that Virginia's minimum wage is going up. It will likely go up either July 1 or January 1, 2021. After debate on this issue in both branches it seems that the first increase will be from \$7.25 to as high as \$10.00/hour. To be worked out is will there be regular increase for each year forward and what the upward limit will be - \$15.00/hour is preferred by the House of Delegates. There may also be a study to see if Virginia could have a split rate- one for higher relatively affluent jurisdictions and a lower rate for rural locations.