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Last Days of 2020 Session and Key Industry Issues Still In Play

With the 2020 General Assembly session scheduled to adjourn Saturday, the fate of numerous industry concerns is still up in the air. Some of those issues are:

Motor Fuel Taxes

One thing is certain: motor fuel taxes in Virginia will be increasing. Yet to be decided is where and how much. As of today, the most likely version is an increase of the statewide tax to 20.2 cents per gallon on July 1 of this year and then to 27 cents per gallon in July 2022. After that, the rate will be tied to the consumer price index and could change on an annual basis. Uncertain at this time is whether the local fuels taxes now in Hampton Roads, Northern Virginia and Interstate 81 will be expanded statewide. One proposal that passed the House would add the local tax in the metropolitan Richmond area only. To date none of the bills has proposed changing either allowances or dates of remission of fuels taxes. We will continue to closely monitor developments on this issue this week.

Games of Skill

As we have reported, "games of skill" are in trouble at the General Assembly. This stems largely for two reasons: the game manufacturers chose to roll out more than 5,000 games across the Commonwealth without an agreement to regulate and tax; and the arrival of Las Vegas casino interests and their lobbyists who are seeking to bring mini casinos to every street corner in Virginia with "games of chance." To date, "skill" games have been on the short end of every vote taken during the session, but there will be at least one more attempt to allow them - probably at truck stops only..

Sports Betting

Legalized state regulated sports betting is coming to Virginia, perhaps as early as this fall. Each branch has passed a version of the legislation with the House version not allowing betting on Virginia college events and prohibiting tier 2 (in-game) wagering on college sports. The Senate version is more open-ended. Both bills direct that the Virginia Lottery will manage the enterprise and we are closely following a provision providing that parlay (multi-game) bets will be limited to sale at retail locations.

Internet Lottery

Bills to allow the first-ever sale of Virginia Lottery tickets on the internet are on the governor's desk and will become law on July 1. We have been working on this issue since before the session began and will continue our efforts to assure that future on-line expansion does not impact sales at existing sales agent locations. We are encouraged that the lottery has agreed to a formal study of retailer compensation and specifically the base commission rate of 5% which lags border states and has remained unchanged in 32 years.

Minimum Wage

The minimum wage is going up. What is uncertain is how far and how fast. The House has voted to increase from \$7.25 to \$10.00 and then increase every year for the next five until the minimum wage reaches \$15.00. The Senate has taken a slightly less aggressive approach, suggesting that the larger increases apply solely to Northern Virginia and regional rates reflective to the cost of living apply elsewhere.