



August 19, 2021

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### **Governor Reports on Fiscal Year Budget**

Yesterday marked the annual address by Virginia's governor to the General Assembly's money committees, featuring a report on the fiscal year budget that ended on July 31. Not surprisingly motor fuels tax collections increased by \$127 million dollars or 15.2 percent. Total motor fuels collections were \$971 million. This increase resulted largely from a 5 cent per gallon increase that took effect July 1, 2020, and imposition of the 7.6 cent per gallon wholesale tax statewide. This increase, which is seen as vital to road and transportation improvements in the state may be short lived, however. Academics, unelected bureaucrats and the "electrify everything" lobby continue to push for adoption of the Transportation Climate Initiative, or a separate Virginia only plan which would mandate decreased fossil fuel sales of five to ten percent per year, decimating the Commonwealth's transportation funding.

Next year, motor fuel collections will also increase given the additional 5cpg increase that became effective July 1.

There were two other major revelations in yesterday's budget release.

### **ABC Sales**

Members will remember the full court press put on a decade ago by the out of state grocery and chain drug stores to sell off the state's ABC stores in exchange for one time payment to the state treasury. We now know why. In the last fiscal year ABC **profits** increased 16 percent to a total of \$177 million for the fiscal year.

### **Lottery**

The Virginia Lottery hit the jackpot last fiscal year with revenue increasing 38.8 percent. No doubt a substantial portion of this came from the addition of online play which was passed by the General Assembly in 2020. Despite the windfall, lottery compensation to lottery sellers increased by only 15.4 percent. The base commission of 5% has remained the same for thirty years.

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### **Future of Virginia Mask Mandate**

The Virginia Department of Labor and Industry proposed new rulemaking for mask

requirements in Virginia. This proposed public comment period will be extremely short, running only until next Monday, August 23. The amendments seek to align future masking requirements with the level of virus transmission in various regions in the state. These amendments seek to remove elected officials from the process (yes it is an election year) by tying mask mandates to the incidence of Covid 19 in each region. The likely result is mask mandates indoors in high transmission areas. We anticipate after the comment period DOLI will be releasing the final new standard. As soon as we receive a copy it will be forwarded.

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## **Thank You EMA PAC Donors**

We want to thank the following individuals for their contributions to the EMA Federal Political Action Committee. This is the only time of the year when we solicit the membership for contributions which helps members of the Virginia delegation as well as other members of Congress on key committees impacting petroleum marketers.

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## **73rd Annual Meeting September 26-28, 2021 The Marriott Virginia Beach Oceanfront**

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