



GENERAL ASSEMBLY UPDATE



January 15, 2016
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2016 General Assembly Convenes

Motor Fuels Taxation Returns to the Forefront

After the comprehensive transportation funding bill passed in 2013, we saw little action on motor fuels taxation during the last two General Assembly sessions. However, the opening days of the 2016 session have demonstrated that all will change this year. Northern Virginia and Hampton Roads have an add-on gas tax which is set at 2.1 percent of the sales price of fuel including state and federal taxes. Because of the precipitous drop in crude oil prices over the past year, retail prices have decreased substantially and along with them tax collections in the state's two most populous jurisdictions. There have been many calls for establishing a price floor on the two local taxes, but doing so and linking it to the statewide wholesale floor of 3.17 cents per gallon would double local taxes overnight. This issue will be heavily debated until adjournment of the session, on or about March 12. To view bills submitted to date on this topic, click below.

([SB470](#), [SB475](#), [HB1008](#))

Emergency Waivers

After a two-year effort we are pleased to inform you that the Department of Emergency Management this week finalized a protocol which will allow the private sector to apply for weight and hours of service waivers in times of resource shortages. We would like to recognize the efforts of Delegate Kathy Byron and Senator Steve Newman who carried legislation on this issue for the petroleum and propane associations last session. While the protocol does not guarantee such waivers will be granted, it restores another tool to the industries' toolbox for responding to weather related events and disasters which disrupt supply in the Commonwealth. A copy of the final protocol can be found [here](#).

Environmental Issues

After last year's attempt to raid the state petroleum storage tank fund, a workgroup was formed to review the issue and its unanimous recommendation was that funds generated by the .006 cent tank fund should continue to be devoted solely to tank cleanups and program administration. To date we have seen no legislation or budget action to re-open this issue and will continue monitoring during the session.

Weights and Measures

Delegate Roslyn Tyler has submitted two bills, [HB471](#) and [HB472](#), to amend the law regulating service companies that calibrate weights and measures devices. In Virginia, 82% of the devices subject to inspection are operated by the petroleum marketing and propane industries. According to the Department of Agriculture, the ostensible purpose of the legislation is to assure that companies offering this service receive continuing education at least once every three years. However, we are not aware of issues that need a legislative fix, and we will seek meetings with the delegate and agency next week.

Convenience Store Issues

To date we have not seen a repeat of last year's effort to mandate licensure of Virginia tobacco sellers. This effort was driven by those seeking to limit Virginia cigarettes being trafficked to high tax northern states. We have strongly opposed licensure arguing that the possibility of revocation devalues the business and that the state already has sufficient resources to regulate tobacco sellers without licensure. With regard to ABC there is once again legislation to move the enforcement of these laws from ABC to the Virginia State Police, as well as other efforts to constrain the authority of ABC agents in light of well publicized enforcement efforts at UVA. We have been told that the Virginia Lottery will not be proposing to end the ban on tickets being sold on the internet or purchased by credit card, but that does not mean that individual legislators may not submit such a bill, as occurred last year.

Next Friday is Key

The second Friday of the long (even-year) General Assembly session is key as it is the last day to introduce bills. In the past we have seen some of the most contested issues submitted at the 11th hour with the apparent strategy being to give opponents less time to prepare before the February 16th crossover deadline when all legislation must pass its house of origin.

For a list of the bills VPCGA is monitoring so far, [click here](#).