



GENERAL ASSEMBLY UPDATE



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The weekend snowstorm caused the General Assembly to cancel all committee hearings and floor sessions last Friday, the first time that has happened in recent memory. Action picked up again on Monday as the session is now more than 25 percent complete. We saw action on a number of industry issues in the past few days.

Regional Gas Tax Floor

Last week there appeared to be increased momentum in the House to impose a floor on the 2.1 percent regional gas taxes in Hampton Roads and Northern Virginia. The draft bill which we reviewed would have set the floor at the retail price on January 1, 2016. This would have provided no immediate new revenue to the localities, but at the same time stopped the precipitous decline in regional taxes caused by the decline in crude oil. However, late Thursday the House leadership decided that they would not offer a bill this year. That leaves three Senate bills by Senator Frank Wagner, [SB470](#), [SB477](#), and [SB472](#). Each is a different concept and will be reviewed by the Senate Finance Committee sometime in the next two weeks.

Service Companies

We have previously reported on [House bill 472](#) related to private companies that calibrate weights and measures devices. This bill was originally explained to us as a simple regulatory clean up measure with little impact on the industry. After further review we found that it was instead an attempt by the department of Agriculture and Consumer Services to mandate that registered technicians take continuing education once every three years in order to continue their certification. We were able to amend this requirement to provide that the department will provide the training on-line and at no charge to the technician or employer. The bill was approved unanimously by the House Committee on Agriculture and Natural Resources Wednesday.

ABC Stores

Legislation was submitted ([House bill 323](#)) by Delegate Barry Knight to allow the state's ABC stores to sell merchandise licensed by the Virginia Tourism Corporation. We expressed our concerns that this was open ended and could lead to the state's stores selling items in direct competition with the private sector. After discussion, the ABC leadership agreed to an amendment which limits the expanded merchandise they may sell to the "Virginia is For Lovers" brand, which includes key chains, hats, t-shirts and the like. The revised bill was approved unanimously in committee this week.

Clean Fleet Bill Pulled

As we reported earlier in the session, legislation was filed by Senator Frank Wagner of Virginia Beach to create a clean fleet incentive program. This legislation ([SB 475](#)) would have begun a program of cash rebates ranging from \$3,000 to \$10,000 based on the GVW per vehicle for fleets of at least 20. The proponents of the bill had sought an appropriation from Governor McAuliffe in his proposed budget, but were unsuccessful. Therefore, the bill became unnecessary because of the lack of funding. While the clean fleet program included propane, we had concerns that this could have placed the state of Virginia in the position of picking winners and losers from among private sector competitors - a role better suited for the private sector. Yesterday, the legislation was stricken from the docket (killed for the year). Supporters of state funding for alternative fuel vehicles have already said they will be back in 2017, so we need to monitor this issue carefully during the interim.

Conventional Gas For Marinas Bill Passes Committee

Senator Bill DeSteph has submitted [Senate bill 557](#), which is designed to improve availability of conventional gasoline at marinas located in non-attainment areas (Hampton Roads, Metropolitan Richmond and Northern Virginia.) Specifically, it directs the Virginia Department of Environmental Quality to seek an exemption from RFG regulations to allow conventional gas to be sold at marinas only. We were pleased to testify in support of the Senator's bill and detail some of the difficulties experienced in the boating community for those who have used ethanol based gasoline.

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