

# update

Michael J. O'Connor, President

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## DMV: No Changes to Motor Fuel Tax Rates in 2016

Virginia law requires that DMV review average wholesale prices every six months to determine tax rates for the succeeding six month period. This process has just concluded and we have learned that Department of Motor Vehicles Commissioner Rick Holcomb has found that gasoline and diesel taxes will remain unchanged until at least December 31, 2016. Under the 2013 comprehensive transportation bill, state gas and diesel taxes are tied to a percentage of the wholesale price of unleaded regular on February 20, 2013 (\$3.19.) Because the commissioner determined that the average wholesale price did not exceed this threshold, gasoline taxes will remain at 16.2 cents per gallon, with diesel taxes at 20.2 cents per gallon. The regional 2.1 percent tax in Northern Virginia and Hampton Roads also will remain unchanged.

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## 2016 Scholarship Recipients Announced



Hunter Bryant

Tanner Effinger

Ryan McDowell

Henry Field

The VPCGA Scholarship Committee has announced four recipients of the 2016 S. Frank Straus Scholarships. Since it was established in 1992, this fund has distributed funds to more than 200 deserving students from across Virginia. The 2016 recipients are: **Hunter Bryant**, incoming student at Johnson University, son of Eleanor Bryant of Milo C. Cockerham, Inc.; **Tanner Effinger**, incoming student at Old Dominion University, son of Scott Effinger of PAPCO; **Ryan McDowell**, student at the University

of Virginia, son of Stephen McDowell of Abercrombie Oil; and **Henry Field**, student at Averett University, son of Monique Field of Abercrombie Oil. Congratulations to all!

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## **IMPORTANT! CORRECTED VERSION**

Last week the PMAA Regulatory Compliance Bulletin on HAZMAT registration requirements incorrectly stated that cargo tank vehicles with a capacity of 3500 gallons or less were exempt from the registration requirements. This was true at one time but PHMSA recently removed this exemption. Registration is required in any cargo tank that requires a hazardous material placard. Please take note of this important correction. Corrected version is below.

### **Annual HAZMAT Registration Due July 1**

**BACKGROUND:** The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee each year in return for a certificate of operation. PHMSA began mailing the 2016-2017 registration information to HAZMAT transporters earlier this month. Only those with expiring DOT PHMSA HAZMAT registration certificates must re-register before July 1, 2016 or risk losing authority to operate and pay substantial civil penalty. The validity of HAZMAT registration certificates are checked at roadside inspections.

#### **Who must register and pay the fee?**

##### **HAZMAT Transporters**

- Any business (intrastate or interstate) shipping hazardous materials requiring a U.S. DOT placard must register each year and pay the fee. Petroleum Marketers, common carriers of petroleum products and propane suppliers who ship their products in trucks must register and pay the fee.

#### **What happens if I don't register?**

**Loss of Operating Authority** - If you fail to register by the deadline, then you lose your authority to operate your trucks in both intrastate and interstate commerce. Your authority to operate is the certificate you receive from PHMSA once you register and pay the fee. A current certificate must be kept in the cab of each HAZMAT vehicle at all times. If you are subject to a roadside inspection or DOT audit and do not have a current certificate, your authority to operate will be revoked and you could be fined up to \$37,500 per day of violation.

#### **Why is the U.S. DOT collecting the fee?**

**Emergency Response Funding** - The money collected from the registration program is given back to state emergency response authorities in the form of training grants for

fire and police and emergency preparedness organizations.

### **How do I know my registration is current or not?**

**Registration Look-up** - Registration status may be checked on line by clicking here: Registration Look-Up. Enter either your company name, U.S. DOT number or zip code in the data fields provided to check whether your HAZMAT registration certificate is current.

### **How do I register?**

**Registration Options** - There are several ways to register:

**U.S. Mail** - You must register by filling out the 2016-2017 registration application and sending it by U.S. Mail to PHMSA (along with the required fee). PHMSA generally mails new registration forms out to all registrants. If you have not yet received a form for the 2016-2017 registration year, one may be downloaded from the Internet by clicking here: *Registration Form*

**Online Registration** - On-line registration is available by clicking here: [Online Registration](#). On-line registration allows you to register, pay the fee and download your operating certificate.

### **When is the HAZMAT registration deadline?**

**Deadline** - July 1, 2016 for those who have expiring certificates

**IMPORTANT!** Since registrations can be multiyear, not all certificates will expire on July 1. Check the expiration date on your HAZMAT certificate or information in the Registration Look-Up link above before registering by mail or online.

### **What documentation should I put in my trucks after July 1, 2016?**

**Certificate Documentation** - Place a photocopy of the updated certificate in the cab of each HAZMAT motor vehicle by July 1, 2016.

### **How much is the annual HAZMAT registration fee?**

**Two-Tiered Fee System** -The annual registration fee is based business size - **Small Business Registration Fee** - For registration year 2016-2017 the fee for small businesses is \$275 for one year; \$525 for two years (2016-2018) and \$775 for three years (2016-2019). **Large Business Registration Fee** - For registration year 2016-2017 the fee for large businesses is \$2,600 for one year.

### **How do I determine the size of my business so I know which fee to pay?**

**Business Size Calculation for Determining the Fee Amount** - It is very likely that your business qualifies for the *lower* registration fee. Determining size is left up to the

company applying for the registration certificate. PHMSA follows Small Business Administration (SBA) size categories to classify whether a business is large or small for the purposes of determining the amount of the annual registration fee. The SBA determines business size according to NAICS (North American Industrial Classification System) codes based on either the number of employees in the company or on annual gross receipts. The following NAICS codes and size criteria apply when calculating which fee to pay:

**NAICS CODE 424710 - *Petroleum Bulk Stations or Terminals*:** Petroleum marketers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.

**NAICS CODE 424720 - *Petroleum and Petroleum Product Wholesalers (no bulk storage)*:** Petroleum marketers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.

**NAICS CODE 454311 - *Heating Oil Dealers*:** Heating oil dealers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 50 employees.

**NAICS CODE 454312 - *Liquefied Petroleum Gas Dealers*:** Propane dealers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 50 employees.

**What if I registered as a large business but now I qualify for the small business fee?**

If your business circumstances have changed and you now qualify for small business status under the HAZMAT registration fee, contact PMAA Regulatory Counsel, Mark S. Morgan at [mmorgan@pmaa.org](mailto:mmorgan@pmaa.org).

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## **Save the Date**

VPCGA 68th Annual Meeting

September 25-27, 2016

The Williamsburg Lodge  
Colonial Williamsburg, VA

Registration and more details to be available next month!