



GENERAL ASSEMBLY UPDATE



News From VPCGA at the General Assembly

February 16, 2010

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Dear Member,

Senate Committee Passes Variable Rate Motor Fuel Tax

Acting this morning, the Senate Finance Committee passed a variable rate fuel tax bill with a new twist. Under the legislation, Virginia's current 17.5 cents per gallon tax would be replaced with a rate that is tied to the current year's Corporate National Fuel Economy Standards (CAFE) as developed by the National Highway Traffic Safety Administration. Last year Congress set new CAFE standards which will increase average fleet fuel economy by about 30 percent in the next decade. Consequently, if Senate bill 343 passes both branches and is signed by the Governor, fuel taxes would be expected to rise by the same percentage.

VPCGA has a longstanding policy against variable rate fuels taxes. For a copy of that policy, [click here](#). We will oppose this bill as it moves forward, but recognize that it will likely pass the Democratic controlled Senate in the coming days. We will keep you apprised of further developments.