



GENERAL ASSEMBLY UPDATE



News From VPCGA at the General Assembly

February 6, 2010

In This Update

- **General Assembly Update**

Quick Links

- [VPCGA Bill List](#)
- [Who's My Legislator](#)
- [Printable Versions of the Update](#)
- [2010 Legislative Reception Pictures](#)

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Dear Member,

General Assembly Update

Much of the conversation this week at the General Assembly revolved around the weather and the snowiest winter in 20 years in the Capitol City. For the first time in memory, Friday's committee meetings and floor sessions were cancelled so that members and staff could go home before the impending storm.

Despite this there was action on a number of industry issues last week:

Northern Virginia Fuels Tax

As a result of the recent change in the point of collection for the Northern Virginia fuels tax, Delegate Scott Lingamfelter filed a bill providing that the sales price of fuel sold in the jurisdictions subject to the tax includes all freight and transportation charges. It was approved by a House Finance subcommittee last Wednesday. Additionally Delegate David Englin had proposed legislation to increase the tax from 2.1 percent to 4.2 percent; it was supported by a wide range of Northern Virginia transportation interests. We opposed the bill and it was defeated overwhelmingly.

Rest Area Privatization

We are pleased to report that both bills relative to privatizing the state's rest areas have been amended to include language requested by the Association. The issue will be studied by VDOT's Transportation Research Council, not the General Assembly's investigative unit, and the study must include an examination of the impact on privatization on existing businesses that serve the public along interstate highways.

Fuels Tax Rates

This week House subcommittees also considered various proposals to increase the state's current 17.5 cpg fuels tax rate. Each of the proposals were defeated, but there was considerable discussion that the anticipated summer special session on transportation issues may bring about the first change in fuel tax rates in more than 24 years. While none of the fuel tax bills will pass during the current session, the biggest potential threat for our industry is a scenario during the transportation session that would allow individual cities or counties to impose their own fuels tax surcharges.

Native American Legislation

This week the Senate Privileges and Elections Committee passed, by a vote of 9-6, legislation to allow the Governor to establish compacts with recognized tribes on tax issues. This bill is an attempt by the tribes to avoid an amendment to the pending federal legislation that WOULD prevent tax evasion in Virginia. We, along with the Virginia Wholesalers Association and Sheetz, pointed out that this bill would be meaningless, as federally recognized tribes are sovereign nations-free of regulation by state laws. However, we are facing a formidable adversary in the tribes' lobbyist former gubernatorial chief of staff Bill Leighty. Rumors were circulating late in the week that he had convinced the McDonnell Administration to support the bill. We have requested a meeting with the Governor's staff to detail our opposition.

Free Spin Games

Legislation that would ban so called free spin machines found at many truck stops and travel plazas was once again postponed for a week. This issue has drawn the interest of many parties over the last week and it appears that the General Laws Committee is prepared to move forward with a bill. We will be monitoring the situation carefully prior to the committee's meeting next Thursday.

Motor Fuel Allowance and Weights and Measures Fee

As we have previously reported the state's \$4.4 billion budget deficit has led to multiple proposals to raise revenue at the expense of the business community. The two most prominent items under consideration

impacting our membership are a repeal of the motor fuels allowance and a new fee of \$17.50 for devices inspected by the Department of Weights and Measures. The focus will turn to the budget and these issues over the next two weeks and we continue to meet with staff and legislators to discuss how these changes would negatively impact the industry. We may be calling on you for assistance on these issues in the coming days.