



# *COMMONWEALTH of VIRGINIA*

## *Executive Department*

### **EXECUTIVE DIRECTIVE 5 (2026)**

#### **DIRECTING THE VIRGINIA DEPARTMENT OF MOTOR VEHICLES TO STREAMLINE PROCESSES TO ADDRESS THE IMPACT OF RECORD DIESEL PRICES ON AGRICULTURE AND FORESTRY DURING HARVEST SEASON.**

##### **Importance of the Issue**

Virginia's agriculture and forestry industries depend on continuous and reasonably priced access to diesel fuel, both "clear" diesel for roadway use and "dyed" diesel for offroad use. The Trump administration's unilateral decision to go to war with Iran has dramatically increased the cost of diesel fuel throughout peak harvest season, directly harming the Commonwealth's agriculture and forestry professionals. Indeed, the average price for diesel fuel in Virginia has risen over 76% over the past 12 months, reaching \$6.38 per gallon on September 22, 2026—the highest price in recorded history and well above the prior historical record of \$5.83 per gallon reached in 2022. Over the past month, diesel prices have averaged around \$6.20 per gallon, vastly above the prior year average of \$3.58.

Virginia's farmers and loggers operate on thin margins and are in desperate need for relief from the diesel fuel price impacts caused by the Iran war, and through this Directive, my administration is taking action to provide meaningful relief. Dyed diesel ordinarily may not be used on Virginia's roadways because it is exempt from highway excise taxes—as a fuel, dyed diesel is the same as "clear" diesel, and the dye simply acts as a tax-identification mechanism. Many Virginia farmers and forestry businesses have dyed diesel stored for offroad use, which was purchased when diesel prices were lower. Expanding the use of this stored fuel will lessen the immediate financial pressure on this important sector of Virginia's economy.

Agriculture and forestry industries are critical contributors to the Commonwealth's economy and our nation's security and prosperity. In addition to the relief provided through this Directive, agriculture and forestry professionals deserve meaningful relief at the federal level through waiver of federal tax liabilities associated with the use of dyed diesel fuel in qualifying vehicles.

## Directive

By virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia, I hereby direct the following:

- 1) Direct the Commissioner of the Virginia Department of Motor Vehicles to streamline the process to pay backup tax as authorized under § 58.1-2225 to permit the use of dyed diesel on the Commonwealth's roadways.
- 2) Direct the Commissioner of the Virginia Department of Motor Vehicles to use the authority granted under § 58.1-2265 to waive civil penalties for use of dyed diesel on roadways by persons who first pay the backup tax.

Within five business days of this Directive, the Virginia Department of Motor Vehicles shall publish the process to remit the state-owed diesel tax for utilization of dyed diesel on Virginia roadways.

The Secretary of Transportation, in consultation with the Secretary of Agriculture and Forestry will monitor the effectiveness of the relief measures and provide recommendations to the Governor regarding their continuation, modification, or termination.

## Effective Date of the Executive Directive

This Executive Directive shall become effective upon its signing and shall remain in full force and effect until December 31, 2026, unless extended or rescinded.

Given under my hand and under the Seal of the Commonwealth of Virginia this 16th day of October 2026.



A handwritten signature in black ink, reading "Abigail D. Spanberger".

Abigail D. Spanberger, Governor

A handwritten signature in black ink, reading "Candi Mundon King".

Candi Mundon King, Secretary of the Commonwealth