

1 HOUSE BILL NO. 392  
 2 AMENDMENT IN THE NATURE OF A SUBSTITUTE  
 3 (Proposed by the House Committee on Labor and Commerce  
 4 on \_\_\_\_\_)  
 5 (Patron Prior to Substitute--Delegate Reaser)

6 A BILL to amend the Code of Virginia by adding a section numbered 59.1-21.11:2, relating to Virginia  
 7 Petroleum Products Franchise Act; agreements between jobber/distributors and dealers; market  
 8 valuation study.

9 **Be it enacted by the General Assembly of Virginia:**

10 **1. That the Code of Virginia is amended by adding a section numbered 59.1-21.11:2 as follows:**

11 **§ 59.1-21.11:2. Required provisions pertaining to agreements between jobber/distributors**  
 12 **and dealers.**

13 A. A term of an initial agreement between a jobber/distributor and a dealer relating to specific  
 14 marketing premises shall not be less than one year and the term of all subsequent agreements between the  
 15 jobber/distributor and the dealer relating to the same marketing premises shall not be for less than three  
 16 years. The rental provisions in any such agreement or franchise shall be based on commercially fair and  
 17 reasonable standards at a fair market value of the leased marketing premises. If a dealer believes the terms  
 18 of the agreement offered do not meet a fair market value, such dealer may hire, at his expense, an  
 19 independent third-party appraisal company from a list of appraisal companies provided by the  
 20 jobber/distributor to provide a market valuation study. Such appraisal shall (i) be for informational  
 21 purposes only, (ii) not require either party to disclose confidential business information, and (iii) not bind  
 22 either party.

23 B. The provisions of this section shall be limited to Planning District 8 and shall apply to initial  
 24 franchise agreements and renewals of franchise agreements entered into after July 1, 2024.

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