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HOUSE BILL NO. 392
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on _____)
(Patron Prior to Substitute--Delegate Reaser)

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

Be it enacted by the General Assembly of Virginia:

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

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

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

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

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