



February 12, 2024

What a Difference a Year Makes

At this time last year, the Virginia Senate had passed the "jobbers are refiners" bill by a vote of 20-18, and we were fortunate that the House ultimately defeated the legislation. This year we have seen a new bill with a totally revised concept. Senate bill 248 passed the Senate Friday by a unanimous vote of 40-0. An identical House bill (HB392) passed the Labor and Commerce Committee by a vote of 15-7

Among the provisions of the two bills:

- 1) The rental provisions in a marketing agreement between a jobber/distributor and a dealer shall be based on commercially fair and reasonable standards at a fair market value of the leased marketing premises.
- 2) If a dealer believes the terms do not meet fair market value, the dealer may hire at his expense an independent third party appraiser from a list of appraisers selected by the jobber/distributor to provide a market valuation study.
- 3) Said study shall be for informational purposes only, not require either party to disclose confidential business information, and not bind either party.

The bill was also narrowed significantly by making it only applicable to Planning District 8 (Northern VA) and only applies to new franchise agreements and renewals entered into after July 1, 2024. Again, this bill does not redefine distributors as refiners, does not give dealers the right of first refusal to purchase properties owned by distributors, and does not terminate existing supply agreements.

We appreciate the great assistance of three of Richmond's premier lobbying firms: Lindl Corp (7-11), 2 Capitols Consulting (Global), and Kemper Consulting (Sunoco) for all of their assistance and counsel on this legislation.

Skill Games

The unified effort to restore skill games continues. The House and Senate have each passed their own version of a bill (SB212, HB590) to restore skill games and the ultimate outcome will likely not be determined until the first week of March. The issues at variance between the two branches include enforcement, oversight, fees, number of games allowed per store, whether to require a referendum. We will continue to strongly support restoration of skill games

Underage Tobacco Sales

We have also been devoting a great deal of time to legislation that would require licensing and possible revocation of the ability to sell tobacco products after a third underage sale. Significant progress has been made to date in amending some of the most troublesome parts of the two bills ([HB790](#) and [SB582](#)). Like skill games, this issue is still a work in progress and will require further work in the time prior to adjournment. It does seem likely that the bill will require increased training for store employees and managers and we will be exploring options to provide that to the membership after the session concludes.