



Small Business Commission

Executive Summary of 2023 Interim Activity

<http://dls.virginia.gov/commissions/sbc.htm>

Pursuant to the powers and duties authorized under § 30-183 of the Code of Virginia, the Virginia Small Business Commission (the Commission) held one meeting during the 2023 interim with Delegate Christopher T. Head, co-chair, presiding. Materials presented at the meeting are accessible through the [Commission's meetings webpage](#).

The Commission's meeting occurred on November 14, 2023. Pursuant to HJR 687, which was enacted by the 2019 Session of the General Assembly, the Commission studied information and policy proposals related to matters affecting small businesses.

Commission Members

Senator John J. Bell, Co-Chair	Delegate Kim A. Taylor
Delegate Christopher T. Head, Co-Chair	Delegate Thomas C. Wright, Jr.
Senator T. Travis Hackworth	Jay M. Atkinson
Senator Lynwood W. Lewis, Jr.	Melissa A. Ball
Senator Frank M. Ruff, Jr.	Harshad Barot
Delegate Kelly K. Convirs-Fowler	Thomas Leonard
Delegate Karen S. Greenhalgh	Giuseppe Lazione
Delegate Suhas Subramanyam	Lee Vogler

November 14, 2023, Meeting

The Commission held its 2023 interim meeting in Richmond with Delegate Head presiding. The meeting began with introductions and opening remarks followed by presentations and discussion.¹

Updates from the Virginia Department of Workforce Development and Advancement

Carrie Roth, Director, Department of Workforce Development and Advancement

Director Roth gave a presentation on the economic landscape in Virginia and discussed the current labor market and employment trends in the Commonwealth. She expressed that inflation remains a problem for small businesses, resulting in owners having difficulty filling job openings. Director Roth also stated that small business applications have doubled in recent years as compared to corporate applications, which have remained largely the same. Director Roth briefly discussed Virginia Works, the Commonwealth's workforce development agency, an organization that is codified in the Code of Virginia but not yet funded in the budget.

¹ **Members Present:** Delegate Christopher T. Head (co-chair), Senator T. Travis Hackworth, Delegate Karen S. Greenhalgh, Delegate Thomas C. Wright, Jr., Jay M. Atkinson, Melissa A. Ball, Harshad Barot, Thomas Leonard, Giuseppe Lazione, Lee Vogler.

Members Absent: Senator John J. Bell (co-chair), Senator Lynwood W. Lewis, Jr., Senator Frank M. Ruff, Jr., Delegate Kelly K. Convirs-Fowler, Delegate Suhas Subramanyam, Delegate Kim A. Taylor.

Delegate Head asked about the calculation of the labor force participation rate. Director Roth explained that the unemployment rate is relative to those actively seeking a job, whereas the labor force participation rate includes those not looking for a job.

SB 1047 (McPike, 2023 Regular)

Delegate Head presented background information on SB 1047 (McPike, 2023 Regular), which was introduced during the 2023 Session and was a companion bill to HB 2363 (Maldonado, 2023 Regular). He requested that the Commission provide some comments on the bill without submitting a formal recommendation. Delegate Head explained that originally the Virginia Petroleum Products Franchise Act provided that oil refiners also owned gas stations and franchised out to the individuals who ran the stores. If the refiner decided to sell out, the franchise owner received a right of first refusal and such sale could not include a requirement that the franchise owner continue to buy fuel from the refiner. Since that time, most refiners have left the business and petroleum distributors have taken their place. This bill seeks to include distributors in the Virginia Petroleum Products Franchise Act to the same degree as refiners.

Delegate Head stated that the bill met strong resistance from oil distributors. He expressed that although the Commission is tasked with protecting and promoting small businesses such as the franchisors, they also have a constitutional mandate to refrain from interfering with preexisting contracts. The constitutional concerns arise as the bill would allow them to dispense with pre-existing distribution agreements.

Michael O'Connor from the Virginia Petroleum and Convenience Marketers Association spoke in opposition to the bill. He stated that if the bill passed in its present state, it would trigger a Code provision that would nullify certain existing supply agreements, which would be a direct violation of the Virginia Constitution, which forbids interference with contractual obligations.

Lee Vogler stated that he would not be in support of anything that would be detrimental to small family-run businesses. Delegate Karen S. Greenhalgh suggested a study into this issue, as she believes it is more complicated than can be addressed at a Commission meeting.

Elevating Virginia's Position as a Pioneering Hub for Small Business Development and Innovation

Jay Atkinson discussed workforce development and how a lack of employees can encourage innovation and automation. He asked what Virginia is doing to support small businesses that are working in the space of innovation and automation. He expressed that he wants the next Amazon not to only move to Virginia once it becomes established, but to start in Virginia.

Delegate Head asked what the Commonwealth is doing that gets in the way of workforce development and what the Commonwealth can stop doing to help encourage workforce development and innovation. Harshad Barot stated that it would be helpful to streamline the startup process for businesses. Senator T. Travis Hackworth suggested traveling to other locations to learn what others are doing and what can be applied in Virginia. Melissa Ball wanted to hear the thoughts of the Department of Small Business and Supplier Diversity and the Virginia Small Business Financing Authority on what methods and resources the Commonwealth already has and could better utilize.

For more information, see the [*Commission's website*](#) or contact the Division of Legislative Services:

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