

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 3107

By: Dobrinski

COMMITTEE SUBSTITUTE

An Act relating to franchises; amending 59 O.S. 2021, Section 6005, which relates to employer and employee relationships; modifying definition; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2021, Section 6005, is amended to read as follows:

Section 6005. A. For purposes of this act:

1. "Franchisor" means any person who grants a franchise and participates in the franchise relationship. Unless otherwise stated, it includes subfranchisors. For purposes of this definition, a "subfranchisor" means a person who functions as a franchisor by engaging in both pre-sale activities and post-sale performance;

1 2. "Franchisee" means any person who is granted a franchise;

2 and

3 3. "Franchise" means any continuing commercial relationship or
4 arrangement, whatever it may be called, in which the terms of the
5 offer or contract specify, ~~or the franchise seller promises or~~
6 ~~represents, orally or in writing,~~ that:

7 a. the franchisee will obtain the right to operate a
8 business that is identified or associated with the
9 franchisor's trademark, or to offer, sell or
10 distribute goods, services or commodities that are
11 identified or associated with the franchisor's
12 trademark,

13 b. the franchisor will exert or has authority to exert a
14 significant degree of control over the franchisee's
15 method of operation, or provide significant assistance
16 in the franchisee's method of operation, and

17 c. as a condition of obtaining or commencing operation of
18 the franchise, the franchisee makes a required payment
19 or commits to make a required payment to the
20 franchisor or its affiliate.

21 B. A franchisor shall not be considered the employer of a
22 franchisee or a franchisee's employees.
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1 C. The employees of a franchisee shall not be considered
2 employees of the franchisor neither shall the employees of a
3 franchisor be considered employees of a franchisee.

4 SECTION 2. This act shall become effective November 1, 2024.

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