

1 ENGROSSED HOUSE
2 BILL NO. 3107

By: Dobrinski of the House

3 and

4 Gollihare of the Senate

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

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

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

15 Section 6005. A. For purposes of this act:

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

22 2. "Franchisee" means any person who is granted a franchise;
23 and
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1 3. "Franchise" means any continuing commercial relationship or
2 arrangement, whatever it may be called, in which the terms of the
3 offer or contract specify, ~~or the franchise seller promises or~~
4 ~~represents, orally or in writing,~~ that:

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

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

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

19 B. A franchisor shall not be considered the employer of a
20 franchisee or a franchisee's employees.

21 C. The employees of a franchisee shall not be considered
22 employees of the franchisor neither shall the employees of a
23 franchisor be considered employees of a franchisee.

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

1 Passed the House of Representatives the 12th day of March, 2024.

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4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ____ day of _____, 2024.

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9 Presiding Officer of the Senate