

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3107

By: Dobrinski

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8 COMMITTEE SUBSTITUTE

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

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

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

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

18 1. "Franchisor" means any person who grants a franchise and
19 participates in the franchise relationship. Unless otherwise
20 stated, it includes subfranchisors. For purposes of this
21 definition, a "subfranchisor" means a person who functions as a
22 franchisor by engaging in both pre-sale activities and post-sale
23 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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6 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
7 02/28/2024 - DO PASS, As Amended.
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