

1 ENGROSSED SENATE
2 BILL NO. 521

By: Gollihare of the Senate

3 and

4 Dobrinski of the House

5
6 An Act relating to franchises; amending 59 O.S. 2021,
7 Section 6005, which relates to employer and employee
8 relationships; modifying definition; updating
9 statutory reference; and providing an effective date.

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

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

13 Section 6005. A. For purposes of this ~~act~~ section:

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

20 2. "Franchisee" means any person who is granted a franchise;
21 and

22 3. "Franchise" means any continuing commercial relationship or
23 arrangement, ~~whatever it may be called,~~ in which the terms of the
24

1 offer or contract specify, ~~or the franchise seller promises or~~
2 ~~represents, orally or in writing,~~ that:

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

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

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

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

19 C. The employees of a franchisee shall not be considered
20 employees of the franchisor; neither shall the employees of a
21 franchisor be considered employees of a franchisee.

22 SECTION 2. This act shall become effective November 1, 2025.
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1 Passed the Senate the 24th day of March, 2025.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2025.

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8 _____
9 Presiding Officer of the House
10 of Representatives