

1 **SENATE FLOOR VERSION**

2 April 8, 2024

3 **AS AMENDED**

4 ENGROSSED HOUSE

5 BILL NO. 3107

By: Dobrinski of the House

and

Gollihare of the Senate

7
8 **[franchises - employer and employee relationships -
9 effective date]**

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

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

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

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

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

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

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, 2024.

23 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
24 April 8, 2024 - DO PASS AS AMENDED