

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR

5 ENGROSSED SENATE BILL 1496

By: Newberry of the Senate

and

6 Hall of the House

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9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to businesses; defining terms;
11 construing certain employer and employee
12 relationships; providing for codification; and
13 providing an effective date.

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

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 6005 of Title 59, unless there
17 is created a duplication in numbering, reads as follows:

18 A. For purposes of this act:

19 1. "Franchisor" means any person who grants a franchise and
20 participates in the franchise relationship. Unless otherwise
21 stated, it includes subfranchisors. For purposes of this
22 definition, a "subfranchisor" means a person who functions as a
23 franchisor by engaging in both pre-sale activities and post-sale
24 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, 2016.

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