An Act

ENROLLED SENATE
BILL NO. 1496

By: Newberry of the Senate

and

McDaniel (Randy) of the House

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

SUBJECT: Business designations

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

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

A. For purposes of this act:

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

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

3. "Franchise" means any continuing commercial relationship or arrangement, whatever it may be called, in which the terms of the offer or contract specify, or the franchise seller promises or represents, orally or in writing, that:

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

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

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

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

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

SECTION 2. This act shall become effective November 1, 2016.

Passed the Senate the 18th day of May, 2016.

Eddie Fields
Presiding Officer of the Senate

Passed the House of Representatives the 19th day of May, 2016.

Lee R. Denney
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 20th

day of May, 20 16, at 11:18 o'clock A M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 24th

day of May, 20 16, at 1:09 o'clock P M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 24th

day of May, 20 16, at 2:29 o'clock P. M.

By: Chris Benge