

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 521

By: Gollihare

6 AS INTRODUCED

7 An Act relating to franchises; amending 59 O.S. 2021,
8 Section 6005, which relates to employer and employee
relationships; modifying definition; updating
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

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, 2025.