

SENATE FLOOR VERSION

March 6, 2025

SENATE BILL NO. 521

By: Gollihare of the Senate

and

Dobrinski of the House

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

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

SECTION 1. AMENDATORY 59 O.S. 2021, Section 6005, is

amended to read as follows:

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

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. "Fra

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

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.

23 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND INSURANCE
March 6, 2025 - DO PASS