

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 ENGROSSED SENATE
5 BILL NO. 521

6 By: Gollihare of the Senate

7 and

8 Dobrinski of the House

9

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

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

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

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

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~~
~~represents, orally or in writing,~~ that:

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

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

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

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

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, 2025.
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6 COMMITTEE REPORT BY: COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT
OVERSIGHT, dated 04/24/2025 - DO PASS.
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