

1 **SENATE FLOOR VERSION**

2 March 6, 2025

3 SENATE BILL NO. 521

By: Gollihare of the Senate

4 and

5 Dobrinski of the House

6  
7 An Act relating to franchises; amending 59 O.S. 2021,  
8 Section 6005, which relates to employer and employee  
9 relationships; modifying definition; updating  
10 statutory reference; and providing an effective date.

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

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

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

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

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

23 3. "Franchise" means any continuing commercial relationship or  
24 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  
24 March 6, 2025 - DO PASS