

SESSION

Legislative & Regulatory Updates: What Franchisees Need to Know

SPEAKER



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Legislative Year in Review

- State Legislation
 - California
 - SB-919, Broker bill, went into law 1/1/25. Worked with the IFA. Requires third-party seller registration, but that has not been funded. Provides franchisees a private right of action if a third-party seller violates the state's disclosure law.
 - Oregon
 - HB-2572 – Hours
 - HB-2584 – Undisclosed Fees
 - HB-2590 – Kickbacks



Legislative Year in Review

- State Legislation
 - New Mexico
 - SB-439 – Comprehensive franchise legislation, copy of Indiana law
 - Virginia
 - SB798 – Ban franchise non-competes
 - Maryland
 - HB0992 – Right of association (good), limits rights against a Maryland franchisor from an out of state franchisee (bad)



Legislative Year in Review

- Federal Legislation
 - Franchisee Freedom Act (H.R.4614)
 - Provides for a Private Right of Action on Franchise Rule violations
 - Allows for damages (actual and additional equitable relief)
 - Protects the right of association without interference or retaliation
 - American Franchise Act (H.R.5267)
 - Joint Employer Legislation
 - Stops the moving goalposts of the Joint Employer standard
 - Gone will be the excuse not to provide services because of JE
 - Worked with the IFA and franchisee lawyers (Dady and Zarco) to create redline version that AAFD endorses
 - Does not change our position on what constitutes the basic tenets of business ownership and independent contractor status.

Interesting State Laws

- Common Items
 - Termination rights and notification
 - Non-renewals
 - Transfer rights
 - Right of Association
- Indiana
 - Sourcing limitations and rebate handling
- Washington
 - Sourcing limitations and rebate disclosure
- Arkansas
 - Advertising funds

