

GREEN SHEET REDIGEST

HB 464

2015 Regular Session

Talbot

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**LABOR: Provides relative to franchise relationships**

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DIGEST

**Abstract:** Provides that an employee of a franchisee is not an employee of the franchisor.

Present law provides for franchise agreements specifying that parties to a franchise may agree that the franchisor will refrain from selling, distributing, or granting additional franchises within defined geographic area and in return, the franchisee will refrain from competing with the franchisor, or other franchisees of the franchisor, for a period of up to 2 years following the severance of the franchise relationship. Proposed law retains present law.

Proposed law provides that a franchisee's employees are not deemed employees of the franchisor unless the two entities share or co-determine those matters governing the essential terms and conditions of employment and directly and immediately control matters relating to the employment relationship such as hiring, firing, discipline, supervision, and direction.

Proposed law clarifies that proposed law and present law do not apply to the unemployment or workers' compensation Chapters.

(Amends R.S. 23:921(F)(2); Adds R.S. 23:921(F)(3) and (4))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Labor and Industrial Relations to the original bill:

1. Provide that laws regarding franchise competing business contracts are not applicable to or otherwise effect workers' compensation or unemployment law.

The House Floor Amendments to the engrossed bill:

1. Add a technical amendment which removes proposed law from a list of admissible agreements between the parties to a franchise agreement and places proposed law in a separate Paragraph.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the re-engrossed bill

1. Provides that an employee of the franchisee may also be deemed an employee of the franchisor only where the two entities co-determine certain matters related to the employee.
2. Provides for technical changes.