

By: Isett

H.B. No. 3364

A BILL TO BE ENTITLED

AN ACT

relating to the requirement that certain franchise litigation be brought in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 35, Business & Commerce Code, is amended by adding Section 35.57 to read as follows:

Sec. 35.57. ACTION ON FRANCHISE. (a) In this section:

(1) "Franchise" means an oral or written agreement, express or implied, that:

(A) grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by a franchisor;

(B) requires payment, directly or indirectly, of a franchise fee to the franchisor or its affiliate; and

(C) allows the franchisee's business to be substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertisement, or other commercial symbol of or designation of the franchisor or its affiliate.

(2) "Franchisee" means a person to whom a franchise is granted.

(3) "Franchisor" means a person who grants a franchise to another person.

(b) Notwithstanding the terms of any franchise or any other law, an action or proceeding brought by a franchisee who is a

1 resident of this state against a franchisor must be brought in an
2 appropriate forum in this state only, and the law of this state
3 applies to the action or proceeding.

4 SECTION 2. This Act takes effect September 1, 2003, and
5 applies only to an action or proceeding filed on or after that date.