

By: Farney

H.B. No. 1686

A BILL TO BE ENTITLED

AN ACT

relating to excluding a franchisor as an employer of a franchisee or a franchisee's employees.

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

SECTION 1. Subchapter A, Chapter 21, Labor Code, is amended by adding Section 21.0022 to read as follows:

Sec. 21.0022. FRANCHISORS EXCLUDED. (a) In this section, "franchisee" and "franchisor" have the meanings assigned by 16 C.F.R. Section 436.1.

(b) For purposes of this chapter, a franchisor is not considered to be an employer of:

(1) a franchisee; or

(2) a franchisee's employees.

SECTION 2. Subchapter A, Chapter 61, Labor Code, is amended by adding Section 61.0031 to read as follows:

Sec. 61.0031. FRANCHISORS EXCLUDED. (a) In this section, "franchisee" and "franchisor" have the meanings assigned by 16 C.F.R. Section 436.1.

(b) For purposes of this chapter, a franchisor is not considered to be an employer of:

(1) a franchisee; or

(2) a franchisee's employees.

SECTION 3. Subchapter A, Chapter 62, Labor Code, is amended by adding Section 62.006 to read as follows:

1 Sec. 62.006. FRANCHISORS EXCLUDED. (a) In this section,
2 "franchisee" and "franchisor" have the meanings assigned by 16
3 C.F.R. Section 436.1.

4 (b) For purposes of this chapter, a franchisor is not
5 considered to be an employer of:

- 6 (1) a franchisee; or
- 7 (2) a franchisee's employees.

8 SECTION 4. Chapter 91, Labor Code, is amended by adding
9 Section 91.0013 to read as follows:

10 Sec. 91.0013. FRANCHISORS EXCLUDED. (a) In this section,
11 "franchisee" and "franchisor" have the meanings assigned by 16
12 C.F.R. Section 436.1.

13 (b) For purposes of this chapter, a franchisor is not
14 considered to be in a coemployment relationship with:

- 15 (1) a franchisee; or
- 16 (2) a franchisee's employees.

17 SECTION 5. Section 201.021, Labor Code, is amended by
18 adding Subsection (d) to read as follows:

19 (d) In this subsection, "franchisee" and "franchisor" have
20 the meanings assigned by 16 C.F.R. Section 436.1. The definition of
21 employer provided by this section does not apply to a franchisor
22 with respect to:

- 23 (1) a franchisee; or
- 24 (2) a franchisee's employees.

25 SECTION 6. Subchapter B, Chapter 401, Labor Code, is
26 amended by adding Section 401.014 to read as follows:

27 Sec. 401.014. FRANCHISORS EXCLUDED. (a) In this section,

1 "franchisee" and "franchisor" have the meanings assigned by 16
2 C.F.R. Section 436.1.

3 (b) For purposes of this subtitle, a franchisor is not
4 considered to be an employer of:

5 (1) a franchisee; or

6 (2) a franchisee's employees.

7 SECTION 7. Subchapter A, Chapter 411, Labor Code, is
8 amended by adding Section 411.005 to read as follows:

9 Sec. 411.005. FRANCHISORS EXCLUDED. (a) In this section,
10 "franchisee" and "franchisor" have the meanings assigned by 16
11 C.F.R. Section 436.1.

12 (b) For purposes of this chapter, a franchisor is not
13 considered to be an employer of:

14 (1) a franchisee; or

15 (2) a franchisee's employees.

16 SECTION 8. The change in law made by this Act applies only
17 to the liability of a franchisor based on conduct occurring on or
18 after the effective date of this Act. Conduct by a franchisor
19 occurring before the effective date of this Act is governed by the
20 law in effect on the date the conduct occurred, and the former law
21 is continued in effect for that purpose.

22 SECTION 9. This Act takes effect September 1, 2015.