

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Rules
Vote:	9 - 1 - 0
Yeas:	Barton, Fagan, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
Nays:	Holvey
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	3/25, 4/17

WHAT THE MEASURE DOES: Prohibits public body from classifying franchisee as an employee of franchisor unless it is determined that franchisor exerts more control than is customary in the relevant market and is reasonably necessary to preserve the trademark's goodwill. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Level of control in franchise relationship
- Whether franchisee is independent contractor or employee
- Employment Department audit of JaniKing franchisee owners
- Request to refer measure to Committee on Rules for further consideration

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Franchisors provide support to the franchisee and typically exercises control over business operations in order to protect the brand image and value and to create uniformity. Proponents of House Bill 3095 assert that the standard controls do not make franchisors employers, as the level of control the franchisor exerts is an inherent nature of franchising.