

**PROPOSED AMENDMENTS TO
SENATE BILL 136**

1 Delete lines 6 through 14 of the printed bill and insert:

2 **“SECTION 2. (1) A franchisee or subfranchisor is not an employee**
3 **of a franchisor if:**

4 **“(a) The franchise is subject to ORS 650.005 to 650.100 and federal**
5 **regulation under 16 C.F.R. part 436;**

6 **“(b) The franchisee or subfranchisor:**

7 **“(A) Obtains any licenses, registrations or other authorizations that**
8 **are necessary under federal, state or local law to engage in business**
9 **under the terms of the franchise; and**

10 **“(B) Files with the Department of Consumer and Business Services**
11 **a copy of the franchise that includes a signed statement in which the**
12 **parties to the franchise attest that the parties understand and agree**
13 **to the terms of the franchise; and**

14 **“(c) The franchisee or subfranchisor:**

15 **“(A) Is a business entity that is formed under the laws of, or au-**
16 **thorized to do business in, this state with the purpose of engaging in**
17 **business under the terms of the franchise; or**

18 **“(B) Engages in business under the terms of the franchise as a sole**
19 **proprietor.**

20 **“(2) A franchisor may not defend against a franchisee’s or**
21 **subfranchisor’s claim in any forum that the franchisee or**
22 **subfranchisor is an employee of the franchisor on the basis that the**

1 **franchisor has met the requirements set forth in subsection (1) of this**
2 **section if a court of competent jurisdiction has found, within the 10**
3 **years that preceded the date on which the franchisee or subfranchisor**
4 **brought the claim, that the franchisor:**

5 **“(a) Violated section 5 of the Federal Trade Commission Act, 15**
6 **U.S.C. 45; or**

7 **“(b) Engaged in an unlawful practice under ORS 646.608 in con-**
8 **nection with the franchise.”.**

9 Delete line 17 and insert “October 1, 2015.”.

10
