

1-1 By: Schwertner S.B. No. 652  
 1-2 (In the Senate - Filed February 19, 2015; February 24, 2015,  
 1-3 read first time and referred to Committee on Natural Resources and  
 1-4 Economic Development; March 11, 2015, reported favorably by the  
 1-5 following vote: Yeas 10, Nays 1; March 11, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18		X		

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to excluding a franchisor as an employer of a franchisee or  
 1-22 a franchisee's employees.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter A, Chapter 21, Labor Code, is amended  
 1-25 by adding Section 21.0022 to read as follows:

1-26 Sec. 21.0022. FRANCHISORS EXCLUDED. (a) In this section,  
 1-27 "franchisee" and "franchisor" have the meanings assigned by 16  
 1-28 C.F.R. Section 436.1.

1-29 (b) For purposes of this chapter, a franchisor is not  
 1-30 considered to be an employer of:

- 1-31 (1) a franchisee; or
- 1-32 (2) a franchisee's employees.

1-33 SECTION 2. Subchapter A, Chapter 61, Labor Code, is amended  
 1-34 by adding Section 61.0031 to read as follows:

1-35 Sec. 61.0031. FRANCHISORS EXCLUDED. (a) In this section,  
 1-36 "franchisee" and "franchisor" have the meanings assigned by 16  
 1-37 C.F.R. Section 436.1.

1-38 (b) For purposes of this chapter, a franchisor is not  
 1-39 considered to be an employer of:

- 1-40 (1) a franchisee; or
- 1-41 (2) a franchisee's employees.

1-42 SECTION 3. Subchapter A, Chapter 62, Labor Code, is amended  
 1-43 by adding Section 62.006 to read as follows:

1-44 Sec. 62.006. FRANCHISORS EXCLUDED. (a) In this section,  
 1-45 "franchisee" and "franchisor" have the meanings assigned by 16  
 1-46 C.F.R. Section 436.1.

1-47 (b) For purposes of this chapter, a franchisor is not  
 1-48 considered to be an employer of:

- 1-49 (1) a franchisee; or
- 1-50 (2) a franchisee's employees.

1-51 SECTION 4. Chapter 91, Labor Code, is amended by adding  
 1-52 Section 91.0013 to read as follows:

1-53 Sec. 91.0013. FRANCHISORS EXCLUDED. (a) In this section,  
 1-54 "franchisee" and "franchisor" have the meanings assigned by 16  
 1-55 C.F.R. Section 436.1.

1-56 (b) For purposes of this chapter, a franchisor is not  
 1-57 considered to be in a coemployment relationship with:

- 1-58 (1) a franchisee; or
- 1-59 (2) a franchisee's employees.

1-60 SECTION 5. Section 201.021, Labor Code, is amended by  
 1-61 adding Subsection (d) to read as follows:

2-1 (d) In this subsection, "franchisee" and "franchisor" have  
2-2 the meanings assigned by 16 C.F.R. Section 436.1. The definition of  
2-3 employer provided by this section does not apply to a franchisor  
2-4 with respect to:

- 2-5 (1) a franchisee; or
- 2-6 (2) a franchisee's employees.

2-7 SECTION 6. Subchapter B, Chapter 401, Labor Code, is  
2-8 amended by adding Section 401.014 to read as follows:

2-9 Sec. 401.014. FRANCHISORS EXCLUDED. (a) In this section,  
2-10 "franchisee" and "franchisor" have the meanings assigned by 16  
2-11 C.F.R. Section 436.1.

2-12 (b) For purposes of this subtitle, a franchisor is not  
2-13 considered to be an employer of:

- 2-14 (1) a franchisee; or
- 2-15 (2) a franchisee's employees.

2-16 SECTION 7. Subchapter A, Chapter 411, Labor Code, is  
2-17 amended by adding Section 411.005 to read as follows:

2-18 Sec. 411.005. FRANCHISORS EXCLUDED. (a) In this section,  
2-19 "franchisee" and "franchisor" have the meanings assigned by 16  
2-20 C.F.R. Section 436.1.

2-21 (b) For purposes of this chapter, a franchisor is not  
2-22 considered to be an employer of:

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

2-25 SECTION 8. The change in law made by this Act applies only  
2-26 to the liability of a franchisor based on conduct occurring on or  
2-27 after the effective date of this Act. Conduct by a franchisor  
2-28 occurring before the effective date of this Act is governed by the  
2-29 law in effect on the date the conduct occurred, and the former law  
2-30 is continued in effect for that purpose.

2-31 SECTION 9. This Act takes effect September 1, 2015.

2-32 \* \* \* \* \*