# DIGEST

HB 464 Reengrossed                    2015 Regular Session                    Talbot

**Abstract:** Provides that an employee of a franchisee is not an employee of the franchisor.

Present law provides for franchise agreements specifying that parties to a franchise may agree that the franchisor will refrain from selling, distributing, or granting additional franchises within defined geographic area and in return, the franchisee will refrain from competing with the franchisor, or other franchisees of the franchisor, for a period of up to 2 years following the severance of the franchise relationship. Proposed law retains present law.

Proposed law provides that a franchisee and his employees are not employees of the franchisor.

Proposed law further provides that any agreement that the employer enters into with the U.S. Dept. of Labor cannot be used by the state for an investigation or judicial or administrative determination for any purpose, including whether the franchisee's employees are employed by the franchisor.

Proposed law clarifies that proposed law and present law do not apply to the unemployment or workers' compensation Chapters.

(Amends R.S. 23:921(F)(2); Adds R.S. 23:921(F)(3))

Summary of Amendments Adopted by House

    The Committee Amendments Proposed by House Committee on Labor and Industrial Relations to the original bill:

1.    Provide that laws regarding franchise competing business contracts are not applicable to or otherwise effect workers' compensation or unemployment law.

    The House Floor Amendments to the engrossed bill:

1.    Add a technical amendment which removes proposed law from a list of admissible agreements between the parties to a franchise agreement and places proposed law in a separate Paragraph.