

Subject Franchise Agreements

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Overview

This bill prohibits restrictive franchise agreements and requires amendments to existing franchise agreements.

Summary

Section	Description
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| 1 | <p>Compliance orders.</p> <p>Adds section 181.991 prohibiting restrictive franchise agreements to the laws that the commissioner of labor and industry can enforce by issuing compliance orders.</p> |
| 2 | <p>Restrictive franchise agreements prohibited.</p> <p>Adds new section 181.991, prohibiting restrictive franchise agreements.</p> <p>Subd. 1. Definitions. Provides the definitions used in the bill.</p> <p>Subd. 2. Prohibition on restrictive franchise agreements. Prohibits restrictive franchise agreements. A franchisor cannot restrict, restrain, or prohibit a franchisee from soliciting or hiring employees of the same franchisor or the general franchisor.</p> <p>Subd. 3. Franchise agreement amendment. Requires existing franchise agreements to be amended within one year of the effective date to remove restrictive employment provisions prohibited under subdivision 2.</p> <p>Subd. 4. Severability. Provides that if any part of the section is found to be unconstitutional or void, the other provisions remain in effect.</p> <p>Effective date. Effective the day following final enactment and applies to franchise agreements entered into or amended after that date.</p> |



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