

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2100

(SENATE AUTHORS: CHAMBERLAIN)

DATE
03/14/2017

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to commerce; regulating franchise agreement terms; amending Minnesota
- 1.3 Statutes 2016, section 80C.14, subdivision 2, by adding a subdivision.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2016, section 80C.14, subdivision 2, is amended to read:
- 1.6 Subd. 2. **Acts constituting.** All franchise contracts or agreements, other than those
- 1.7 classifications of franchises specifically recognized by the commissioner under subdivision
- 1.8 1, and any other device or practice of a franchisor must conform to subdivisions 3 ~~and~~ 4,
- 1.9 and 4a. It is an unfair and inequitable practice for a person to commit an act specified in
- 1.10 subdivisions 3 to 5.
- 1.11 Sec. 2. Minnesota Statutes 2016, section 80C.14, is amended by adding a subdivision to
- 1.12 read:
- 1.13 Subd. 4a. **Franchise agreement terms.** (a) The following must be included in every
- 1.14 franchise agreement or contract:
- 1.15 (1) all terms related to payments or fees, including franchise fees, that the franchisee or
- 1.16 subfranchisor is required to pay to the franchisor, including royalties and payments or fees
- 1.17 which the franchisor collects in whole or in part on behalf of a third party; and
- 1.18 (2) all formulas and calculations used to determine the terms described in clause (1).
- 1.19 (b) No franchise agreement or contract may include a provision that allows the franchisor
- 1.20 to unilaterally change the terms of the franchise agreement or contract, unless the franchisor
- 1.21 is required to do so by state or federal law.

2.1 Sec. 3. **EFFECTIVE DATE.**

2.2 Sections 1 and 2 are effective June 1, 2017, and apply to franchise agreements and
2.3 contracts offered, amended, or executed on or after that date.