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LEGISLATIVE ACTION

Senate

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House

The Committee on Judiciary (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 686.101, Florida Statutes, is created to
read:

686.101 Sales, transfers, and assignments of franchises.-

(1) A franchisor may not deny the surviving spouse, heir,
or estate of a deceased franchisee or of a deceased person who
controlled a majority interest in the franchise the opportunity
to participate in the ownership of the franchise or franchise



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12 business under a valid franchise agreement for at least 180 days
13 after the death of the franchisee or the death of a person
14 controlling a majority interest in the franchise. During that
15 time, the surviving spouse, heir, or estate of the deceased must
16 either meet all of the existing reasonable qualifications for a
17 purchaser of a franchise or must sell, transfer, or assign the
18 franchise to a person who meets the franchisor's existing
19 reasonable qualifications for new franchisees. The rights
20 granted to the surviving spouse, heir, or estate under this
21 section are granted subject to the surviving spouse, heir, or
22 estate of the deceased maintaining all standards and obligations
23 of the franchise.

24 (2) (a) A franchisee may sell, transfer, or assign a
25 franchise, all or substantially all of the assets of the
26 franchise business, or an interest in the franchise with the
27 prior written consent of the franchisor. The franchisor's
28 consent may not be withheld unless the purchaser, transferee, or
29 assignee does not meet the qualifications for new or renewing
30 franchisees described in paragraph (b) or the franchisee and the
31 purchaser, transferee, or assignee fail to comply with other
32 reasonable transfer conditions specified in the franchise
33 agreement.

34 (b) A franchisor may not prevent a franchisee from selling,
35 transferring, or assigning a franchise, all or substantially all
36 of the assets of the franchise business, or an interest in the
37 franchise to another person if the other person meets the
38 franchisor's reasonable qualifications for the approval of new
39 or renewing franchisees in effect at the time the franchisor
40 receives notice of the proposed sale, transfer, or assignment.



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41 The franchisor shall make this list of qualifications available
42 to the franchisee, and the franchisor shall consistently apply
43 such qualifications to similarly situated franchisees operating
44 within the franchise brand.

45 Section 2. Section 686.102, Florida Statutes, is created to
46 read:

47 686.102 Venue; choice of law.—A provision in a franchise
48 agreement restricting the venue to a forum outside of this state
49 or selecting the law of any other state or jurisdiction other
50 than this state is void with respect to any claim arising under
51 or relating to a franchise agreement involving a franchisee that
52 was, at the time of signing, a resident of this state or a
53 business entity established in this state or involving a
54 franchise business either operating or planning to be operated
55 in this state. An agreement between a Florida-based franchisor
56 and a franchisee with none of these stated connections to this
57 state is not subject to this section or s. 686.101, regardless
58 of whether the franchise agreement contains a choice of law
59 provision selecting this state.

60 Section 3. This act shall take effect upon becoming a law.

61
62 ===== T I T L E A M E N D M E N T =====

63 And the title is amended as follows:

64 Delete everything before the enacting clause
65 and insert:

66 A bill to be entitled
67 An act relating to franchises; creating s. 686.101,
68 F.S.; prohibiting a franchisor from denying certain
69 persons the opportunity to participate in the



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70 ownership of a franchise for at least a specified
71 period after the death of the franchisee or the death
72 of a person controlling a majority interest in the
73 franchise; requiring specified persons to either meet
74 certain requirements or sell, transfer, or assign the
75 franchise after the death of the franchisee or the
76 death of the person controlling a majority interest in
77 the franchise; authorizing a franchisee to sell,
78 transfer, or assign a franchise, specified assets, or
79 an interest in the franchise under certain
80 circumstances; prohibiting a franchisor from
81 preventing a franchisee from selling or transferring a
82 franchise, assets of the franchise business, or an
83 interest in the franchise under certain circumstances;
84 requiring the franchisor to make available to the
85 franchisee and to consistently apply qualifications
86 for the approval of new or renewing franchises;
87 creating s. 686.102, F.S.; prohibiting the use of
88 certain choice of venue and choice of law provisions,
89 under certain circumstances; providing an effective
90 date.