

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: HB1394

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Head

3. Committee: Passed Both Houses

4. Title: Franchisees; status thereof and its employees as employees of the franchisor.

5. Summary: Clarifies that neither a franchisee nor any employee of the franchisee will be deemed to be an employee of the franchisee's franchisor for any purpose to which the amended section of the Code of Virginia applies, notwithstanding any voluntary agreement between the U.S. Department of Labor and a franchisee or a franchisor. With respect to a specific claim for relief made by a franchisee or a franchisee's employee, the above does not apply if the franchisor has been found by a court of competent jurisdiction in the Commonwealth to have exercised a type or degree of control over the franchisee or the franchisee's employees not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademarks and brand.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: It is anticipated that this bill will not result in a fiscal impact to the Department of Labor and Industry. The bill amends the Code to define an employee of the franchisee and a franchisee as not an employee of the franchisor notwithstanding any voluntary agreement between the U.S. Department of Labor and the franchisee. The bill may impact some Department of Labor and Industry decisions on who is the employer in labor law or occupational safety and health; however, the agency anticipates very few situations in which the bill would need to be applied.

9. Specific Agency or Political Subdivisions Affected: Department of Labor and Industry.

10. Technical Amendment Necessary: No.

11. Other Comments: None.