

State Corporation Commission 2020 Fiscal Impact Statement

1. Bill Number: HB1550

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

2. Patron: Davis

3. Committee: Committee Referral Pending

4. Title: Franchises; covenants not to compete.

5. Summary: Declares that any covenant not to compete executed on or after July 1, 2020, between a franchisor and any of its franchisees that restricts the ability of a former franchisee to conduct a business that will compete with the franchisor or another of its franchisees is void unless the franchisor or other franchisee has conducted such a business within 150 miles of the former franchisee's authorized area at any time during the 12 months preceding the termination or expiration of the former franchisee's franchise. A former franchisee that suffers damages as a result of a violation may bring an action against its former franchisor. Violations are also subject to imposition of civil penalties by the State Corporation Commission.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the Commission.

8. Fiscal Implications: None on the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary:

11. Other Comments: None