

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 475 - HB 757

February 24, 2015

SUMMARY OF BILL: States that notwithstanding any voluntary agreement entered into between the U.S. Department of Labor and a franchisee, neither a franchisee nor a franchisee's employee will be deemed to be an employee of the franchisor for any purpose. Declares that "franchisee" and "franchisor" to have the same meaning as set out in 16 CFR 436.1 (Disclosure Requirements and Prohibitions Concerning Franchising).

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to DLWD, the Labor Standards Unit of DLWD, currently does not treat employees of franchisees as employees of franchisors; rather, the unit treats them as employees of the franchisees (site location).
- The Department of Labor and Workforce Development (DLWD) confirms this bill will not result in any operational impact to state government.

IMPACT TO COMMERCE:

Other Commerce Impact – There may be a significant indeterminable impact to commerce as a result of this bill. Any net impact is dependent upon multiple unknown factors.

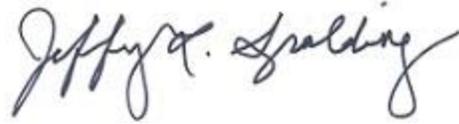
Assumption:

- There may be a significant impact to businesses as a result of this bill including a net increase in business expenditures, a net decrease in business expenditures, a net increase in business revenue, a net decrease in business revenue, and total net income that could increase or decrease. In addition, there could be cost shifting that may occur between franchisors and franchisees. Any such impacts to business cannot be determined for such impacts are dependent upon multiple unknown factors.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

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Jeffrey L. Spalding, Executive Director

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