

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB742

Hearing Date: Tuesday January 23, 2018
Committee On: Banking, Commerce and Insurance
Introducer: Lindstrom
One Liner: Change provisions relating to noncompete agreements under the Franchise Practices Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 7 Senators Baker, Brewer, Kolterman, Lindstrom, McCollister,
Schumacher, Williams

Nay:

Absent:

Present Not Voting: 1 Senator Harr

Verbal Testimony:

Proponents:

Senator Brett Lindstrom
Jim Otto
Matt Boever

Representing:

Introducer
NE Retail Federation/NE Restaurant Assn.
State Chamber/Greater Omaha Chamber/International
Franchise Assn.

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would amend section 87-404 of the Franchise Practices Act to clarify that provisions regarding reformation and enforcement by a judge or arbitrator of an unreasonable noncompete agreement apply to a noncompete agreement entered into by a franchisor headquartered in the state of Nebraska, notwithstanding section 87-403 of the Franchise Practices Act. Section 87-403 provides that, among other things, the act applies only to a franchise the performance of which contemplates or requires the franchisee to establish or maintain a place of business within the state of Nebraska.

The bill carries the emergency clause.

Brett Lindstrom, Chairperson