

# One Hundred Fifth Legislature - First Session - 2017

## Introducer's Statement of Intent

### LB436

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**Chairperson: Senator Joni Albrecht**

**Committee: Business and Labor**

**Date of Hearing: March 13, 2017**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 436 clarifies in Nebraska Statute that:

1. Persons who work for a franchisee are employees of only the franchisee and
2. Franchisors are not employers of franchisees and are not the employers of employees of a franchisee.

This is necessary because recent national developments have suggested that franchisors may be found to be joint employers with franchisees.

Franchising is an important business model which provides small business opportunities, creates jobs, and benefits communities throughout the state of Nebraska. Franchisees are able to own their own businesses but with protections such as brand name recognition and proven methods. Joint employer status of franchisors threatens the independence of franchisees and the entire franchise model.

**Principal Introducer:** \_\_\_\_\_

Senator Laura Ebke