

TALKING POINTS

Protect Florida Small Business Legislation

- › The goal of new legislation this year in Florida is **to promote fair business relations between franchisors and franchisees** – resulting in new business development and job creation for our state.
- › The bill enacts basic protections for those who invest their personal time, money, and energy to build local businesses that employ over 400,000 people in our state.

Specifically, this legislation will address four main concepts:

- 1 Protects Florida franchisees from unjust terminations and non-renewals without good cause** (e.g. reasonable and material requirements).
- 2 Protects Florida franchisees from unjust restrictions on sales and transfers** based upon unreasonable franchisor requirements (e.g. transfer is allowable if heir or other meets existing requirements for any new franchisee and requires franchisor to provide list of requirements).
- 3 Protects Florida franchisees' rights to pursue legal disputes with their franchisor in a Florida court and under Florida law.** This applies with respect to the FL Small Business Protection Act (FSBPA) and existing law: 817.416, F.S. (e.g. franchisors are not allowed to force franchisees to waive their rights to these legal protections).
- 4 Requires that franchisors and franchisees must act in “good faith”** toward each other in a “commercially reasonable manner.”

- › Right now, the state of Florida provides **none of these protections** for small businessmen and businesswomen who choose to invest their hard-earned personal resources in a franchise business opportunity.
- › **23 other states have already passed similar protections** to protect their local franchisees.
- › Under the proposed legislation – **franchisors can continue to protect their brands and trademarks** that consumers rely upon and can still terminate franchisees for just cause.
- › **Florida already has a law that protects some small business owners**, including dealers of agricultural equipment, motor vehicles, and other industries. Florida franchisees also should enjoy this level playing field.