

## **BILL ANALYSIS**

Senate Research Center

S.B. 1701  
By: Fraser  
Business & Commerce  
9/1/2009  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Section 51.003 (Definition of Business Opportunity), Business & Commerce Code, defines "business opportunity." Section 51.003(b) (relating to what the definition of "business opportunity" does not include) creates an exception for that definition. One such exception is a franchise. Subsection (b)(8) (relating to the definition of "business opportunity" not including an arrangement defined as a franchise under certain sections) refers to C.F.R. Section 436.2(a) for the definition of "franchise." The United States Congress amended and reorganized Part 436 of 16 C.F.R., effective in 2008. The definition of franchise was condensed and is now located in 16 C.F.R. Section 436.1(h).

S.B. 1701 amends current law relating to the franchise agreements excluded from the Business Opportunity Act.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 51.003(b), Business & Commerce Code, as effective April 1, 2009, to redefine "business opportunity," to exclude an arrangement defined as a franchise by 16 C.F.R. Part 436, rather than 16 C.F.R. Section 436.2(a), and its subsequent amendments under certain circumstances.

SECTION 2. Effective date: September 1, 2009.