

BILL ANALYSIS

Senate Research Center
81R8435 JE-F

S.B. 1701
By: Fraser
Business & Commerce
4/4/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, 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."

As proposed, S.B. 1701 provides that the definition of "business opportunity" does not include 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.

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.