



February 16, 2021

Members of the House Committee on Business and Labor,

On behalf of more than 40,000 franchisees owning more than 86,000 businesses and employing over 1.4 million individuals, we ask for your support of House Bill 2946, a bill that will protect small business franchise owners in Oregon.

The Coalition of Franchisee Associations (CFA), is the largest franchisee-only trade association in the country, bringing together the largest and most reputable independent franchisee associations with a mission “to leverage the collective strengths of franchisee associations for the benefit of the franchisee community.” The CFA represents 19 franchisee associations whose members own brands including Subway, Burger King, 7-Eleven, Planet Fitness, Buffalo Wild Wings, Dunkin’ Donuts, Meineke, Kumon Domino’s, and Edible Arrangements - among others.

Across the country, millions of small business owners embrace the entrepreneurial spirit and support their local communities by opening their own franchise. However, some franchisees are not able to run their businesses successfully due to imbalanced franchise agreements that favor the franchisor. Current franchise agreements, which are drafted by franchise lawyers and whose disclosure documents are hundreds of pages long, present a “take it or leave it” situation wherein franchisees are often presented with deceptive claims yet cannot negotiate the terms of their contract.

House Bill 2946 requires the parties of a franchise agreement to deal in good faith and a commercially reasonable manner. It will allow franchisees to freely associate without fear of retaliation. They can also set their own prices and not be required to sell goods or services at a loss by limiting markups, rebates and kickbacks - practices that increase franchisor profits. The bill also requires standards which protect franchisees in regard to termination, renewal and transfer of a franchise and defines the damages a franchisee may seek if the franchisor violates these basic business practices.

Franchisees invest hundreds of thousands of dollars in their businesses. They support the local communities, employ the citizens of the state, and pay taxes in Oregon. Despite frequent turnover in franchise ownership, franchisees invest decades, if not an entire lifetime, into their business.

The CFA fully supports House Bill 2946 and asks that you vote in favor of this important piece of legislation. Thank you for your consideration.

Sincerely,

John Motta
Chairman, CFA

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Executive Director, CFA

