

House Bill 2584

Sponsored by Representative HUDSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Stops a franchisor from charging a fee that was not listed in the contract that created the franchise or shown in the disclosure that under federal law a franchisee must see before buying a franchise. Lets a franchisee sue a person for breaking the law. Lets a state agency issue an order to stop the violation. (Flesch Readability Score: 60.9).

Prohibits a franchisor from imposing upon or collecting from a franchisee a fee that the franchisor did not disclose in the agreement under which the franchisor and franchisee established the franchise or in the disclosure document a franchisor must provide to the franchisee under federal law.

A BILL FOR AN ACT

Relating to prohibitions upon fees that franchisors impose upon franchisees.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 650.005 to 650.100.

SECTION 2. (1) A franchisor may not in any manner or by means of any unilateral change to a franchise impose upon or collect from a franchisee in this state a fee that the franchisor did not disclose in the agreement under which the franchisor and franchisee established the franchise or in the disclosure document a franchisor must provide to the franchisee under 16 C.F.R. part 436, as in effect on the effective date of this 2025 Act.

(2) A franchisor that violates the provisions of subsection (1) of this section is liable to the franchisee as provided in ORS 650.020 (3) for a violation of ORS 650.020 (1) and the Director of the Department of Consumer and Business Services may issue an order to cease and desist the violation as provided in ORS 650.055 (4).

SECTION 3. Section 2 of this 2025 Act applies to franchises into which a franchisor and franchisee enter or that a franchisor and franchisee renew on or after the effective date of this 2025 Act.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.