

As Engrossed: 3/22/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Holland**

A BILL ACT 760 OF 1991
HOUSE BILL 1632

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS FRANCHISE PRACTICES ACT TO
9 EXPAND THE ACT TO COVER FRANCHISES WITHIN AND WITHOUT AN
10 EXCLUSIVE TERRITORY; AND FOR OTHER PURPOSES."

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12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Arkansas Code 4-72-202(1) is hereby amended to read as
15 follows:

16 "(1) Franchise means a written or oral agreement for a definite or
17 indefinite period, in which a person grants to another person a license to use
18 a trade name, trademark, service mark, or related characteristic within an
19 exclusive or non-exclusive territory or to sell or distribute goods or
20 services within an exclusive or non-exclusive territory, at wholesale, retail,
21 by lease agreement, or otherwise. However, a franchise is not created by a
22 lease, license, or concession granted by a retailer to sell goods or furnish
23 services on or from premises which are occupied by the retailer-grantor
24 primarily for its own merchandising activities."

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26 SECTION 2. Arkansas Code 4-72-203 is hereby amended to read as follows:

27 "4-72-203. *Applicability of subchapter.*

28 *This subchapter applies only to a franchise entered into, renewed, or*
29 *transferred after March 4, 1977, the performance of which contemplates or*
30 *requires the franchise to establish or maintain a place of business within the*
31 *State of Arkansas. However, the provisions of this subchapter shall not apply*
32 *to those business relations, actions, transactions, or franchises subject to*
33 *the provisions of §§ 4-72-401 - 4-72-403 and 4-72-501 - 4-72-503, or which are*
34 *subject to the Federal Trade Commission regulations 'Disclosure Requirements*
35 *and Prohibitions Concerning Franchising and Business Opportunity Ventures' 16*
36 *CFR 436.1 et seq.'*

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SECTION 3. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

/s/J. Holland

APPROVED: 3/26/91