

SENATE BILL REPORT

SHB 2954

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 27, 1992

Brief Description: Prohibiting discrimination in franchise relations and other commerce.

SPONSORS: House Committee on Commerce & Labor (originally sponsored by Representative Heavey)

HOUSE COMMITTEE ON COMMERCE & LABOR

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, McDonald, McMullen, Moore, Murray, and Skratek.

Staff: Jonathan Seib (786-7427)

Hearing Dates: February 26, 1992; February 27, 1992

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Jack Brummel (786-7428)

Hearing Dates: February 28, 1992

BACKGROUND:

Washington's Franchise Investment Protection Act governs the relations between franchisors and franchisees. It provides no specific protection against discrimination based on race, creed, color, national origin, alienage, sex, or disability.

The state law against discrimination provides no specific protection for people making business transactions, except insurance, credit and real estate transactions. The law does protect the right to engage in commerce free from any discriminatory boycotts or blacklists required or imposed by a foreign government or foreign person.

SUMMARY:

It is unlawful, under the Franchise Investment Protection Act, to discriminate against a franchisee by refusing to sell or allow the sale of a franchise, or placing conditions on a franchise agreement on the basis of race, creed, color, national origin, alienage, residence, sex, or the presence of any sensory, mental, or physical handicap.

Until July 1, 1994, a person alleging discrimination under this act has a right of action to seek specific performance of the franchise agreement or monetary damages. If the basis of the suit is a refusal to sell or allow a sale, the measure of damages is at least 20 percent and no more than 100 percent of the fair market value of the franchise. A violation of a court order of specific performance may be punished by the court by holding the party in contempt of court.

The definition of "franchise" is amended to specifically include an agreement by which a major professional sports team is authorized to use the trademark, service mark, trade name, advertising, or other commercial symbol designating, owned by, or licensed by a national or international league or association of professional sports teams.

The law against discrimination is amended to protect the right to engage in commerce free from all discriminatory boycotts or blacklists, not just those required or imposed by a foreign government or foreign person. The definition of "national origin" includes alienage or residence.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

There is a great offer that has been made to purchase the Mariners. If we prohibit discrimination in the sale, major league baseball should not be able to turn it down. The bill will provide some avenues for legal challenge should this happen anyway.

TESTIMONY AGAINST: None

TESTIFIED: Representative Heavey, prime sponsor