

**One Hundred Fifth Legislature - Second Session - 2018**

**Introducer's Statement of Intent**

**LB742**

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**Chairperson: Senator Brett Lindstrom**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 23, 2018**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The Nebraska Franchise Practices Act authorizes Nebraska arbitrators or courts to modify terms of a noncompete agreement found unreasonable rather than voiding the entire agreement. While the Franchise Practices Act clearly applies to all franchisees based in Nebraska, the act limits its application to reform noncompete agreements when both the franchisee and franchisor are located in Nebraska. LB742 clarifies that such authority for an arbitrator or court to reform an agreement will also apply when a franchisor is headquartered in Nebraska and enters into an agreement with an out-of-state franchisee, unless the parties agree otherwise.

**Principal Introducer:** \_\_\_\_\_

Senator Brett Lindstrom