

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Introduced

House Bill 2240

BY DELEGATES WORRELL AND MANDT

[Introduced February 10, 2021; Referred to the
Committee on Small Business, Entrepreneurship and
Economic Development then the Judiciary]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §55-8-17, relating to choice of law provisions in franchise agreements;
3 declaring agreement voidable if it provides the agreement to be interpreted pursuant to
4 the law of any other state; and establishing effective date of amendments.

Be it enacted by the Legislature of West Virginia:

CHAPTER 55. ACTIONS, SUITS AND ARBITRATION; JUDICIAL SALE.

ARTICLE 8. ACTIONS ON CONTRACTS.

§55-8-17. Choice of law in franchise agreements.

1 (a) It is public policy of this state that a choice of law provision, contained in any franchise
2 agreement entered into by a resident of this state holding a franchise of any kind whatsoever, and
3 which provides that the contract is to be interpreted pursuant to the laws of any other state or
4 jurisdiction, is voidable, and, if voided, the terms of that franchise agreement shall be interpreted
5 pursuant to the laws of this state.

6 (b) The amendments to this section enacted in 2021 shall be applicable prospectively to
7 all civil actions commenced on or after July 1, 2021.

NOTE: The purpose of this bill is to make choice of law provisions in franchise contracts inoperable as a matter of West Virginia law if the West Virginia franchisee objects.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.