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]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §55-8-17, relating to choice of law provisions in franchise agreements; declaring agreement voidable if it provides the agreement to be interpreted pursuant to 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.

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

(b) The amendments to this section enacted in 2021 shall be applicable prospectively to 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.