

1 (a) "Commission" means compensation accruing to a
2 sales representative for payment by a principal, the rate of
3 which compensation is expressed as a percentage of the dollar
4 amount of orders or sales.

5 (b) "Principal" means a person who ~~does not have a~~
6 ~~permanent or fixed place of business in this state and who:~~

7 1. Manufactures, produces, imports, or distributes a
8 product for wholesale, except for fresh commodities;

9 2. Contracts orally or in writing with a sales
10 representative to solicit orders for the product; and

11 3. Compensates the sales representative, in whole or
12 in part, by commission.

13 (c) "Sales representative" means a person who
14 contracts orally or in writing with a principal to solicit
15 wholesale orders in this state and who is compensated, in
16 whole or in part, by commission, but does not include a person
17 who places orders for his or her own account for resale.

18 (d) "Termination" means the end of the services
19 performed by the sales representative for the principal by
20 discharge or resignation of the sales representative or by
21 expiration of the contract.

22 (2) When a principal contracts with a sales
23 representative to solicit wholesale orders within this state,
24 the contract ~~may shall~~ be oral or in writing and shall set
25 forth the method and the time by which the commission is to be
26 computed and paid. If the contract is in writing, the
27 principal shall provide the sales representative with a signed
28 copy of the contract and shall obtain a signed receipt for the
29 contract from the sales representative.

30 (3)(a) When the contract between a sales
31 representative and a principal is terminated ~~and the contract~~

1 ~~was not reduced to writing~~, all commissions due at that time
2 shall be paid within 14 working ~~30~~ days after the date of
3 termination, and all commissions due after the date of
4 termination shall be paid within 14 working days after the due
5 date.

6 (b) If the time when the commissions are due cannot be
7 determined by the contract between the principal and the sales
8 representative, the past practices between the parties control
9 or, if there were no past practices, the custom and usage
10 prevalent in this state for the business that is the subject
11 of the relationship between the parties controls.

12 (c)(b) If ~~in the event~~ a principal fails to comply
13 with the commission payment terms of the contract or fails to
14 comply with the provisions of paragraph (a) or paragraph (b),
15 the sales representative has a cause of action for damages
16 equal to ~~triple~~ double the amount of commission found to be
17 due and. ~~The prevailing party in any such action is entitled~~
18 to an award of reasonable attorney's fees and court costs.

19 (4) A principal who is not a resident of this state
20 and who enters into a contract subject to this section is
21 considered to be doing business in this state for purposes of
22 the exercise of personal jurisdiction over the principal.

23 (5) A provision of this section may not be waived by
24 an express waiver or by an attempt to make a contract subject
25 to the laws of another state. A waiver of a provision of this
26 section is void.

27 Section 2. This act shall take effect July 1, 2000.

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HOUSE SUMMARY

Revises the law pertaining to contracts between sales representatives and principals for the solicitation of wholesale sales contracts. Extends jurisdiction of the law to include in-state and out-of-state principals who enter such contracts with sales representatives who solicit orders in this state. Provides for payment of commissions upon termination of the contract. See bill for details.