

By Senator Aronberg

27-1182-07

See HB 329

1   A bill to be entitled  
2           An act relating to sales representative  
3           contracts involving commissions; amending s.  
4           686.201, F.S.; expanding the definition of the  
5           term "commission"; deleting the requirement for  
6           a written contract between a principal and a  
7           sales representative; requiring payment of  
8           commission within time certain after  
9           termination of contract; providing an effective  
10          date.

12 Be It Enacted by the Legislature of the State of Florida:

14           Section 1. Section 686.201, Florida Statutes, is  
15 amended to read:

16           686.201 Sales representative contracts involving  
17 commissions; requirements; termination of agreement; civil  
18 remedies.--

19           (1) As used in this act, the term:

20           (a) "Commission" means compensation accruing to a  
21 sales representative for payment by a principal, the rate of  
22 which compensation is expressed as a percentage of the dollar  
23 amount of orders or sales or fixed fees or retainers for  
24 services provided by the sales representative.

25           (b) "Principal" means a person or business which:

26           1. Manufactures, produces, imports, or distributes a  
27 product or service.

28           2. Contracts with a sales representative to solicit  
29 orders for the product or service.

30           3. Compensates the sales representative, in whole or  
31 in part, by commission.

1           (c) "Sales representative" means a person or business  
2 which contracts with a principal to solicit orders and who is  
3 compensated, in whole or in part, by commission, but does not  
4 include a person or business which places orders for his or  
5 her own account for resale or a person who is an employee of  
6 the business.

7           ~~(2) When a principal contracts with a sales~~  
8 ~~representative to solicit orders within this state, the~~  
9 ~~contract shall be in writing and shall set forth the method by~~  
10 ~~which the commission is to be computed and paid. The principal~~  
11 ~~shall provide the sales representative with a signed copy of~~  
12 ~~the contract and shall obtain a signed receipt for the~~  
13 ~~contract from the sales representative.~~

14           (2)(3)(a) When the contract between a sales  
15 representative and a principal ends ~~is terminated and the~~  
16 ~~contract was not reduced to writing~~, all commissions due shall  
17 be paid within 30 days after termination.

18           (b) In the event a principal fails to comply with the  
19 provisions of paragraph (a), the sales representative has a  
20 cause of action for damages equal to triple the amount of  
21 commission found to be due. The prevailing party in any such  
22 action is entitled to an award of reasonable attorney's fees  
23 and court costs.

24           ~~(3)(4)~~ This section does not apply to persons licensed  
25 pursuant to chapter 475 who are performing services within the  
26 scope of their license.

27           Section 2. This act shall take effect July 1, 2007.