

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

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

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 12           Section 1.   Section 686.201, Florida Statutes, is amended  
 13 to read:

14           686.201 Sales representative contracts involving  
 15 commissions; requirements; termination of agreement; civil  
 16 remedies.--

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

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

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

24           1. Manufactures, produces, imports, or distributes a  
 25 product or service.

26           2. Contracts with a sales representative to solicit orders  
 27 for the product or service.

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28           3. Compensates the sales representative, in whole or in  
29 part, by commission.

30           (c) "Sales representative" means a person or business  
31 which contracts with a principal to solicit orders and who is  
32 compensated, in whole or in part, by commission, but does not  
33 include a person or business which places orders for his or her  
34 own account for resale or a person who is an employee of the  
35 business.

36           ~~(2) When a principal contracts with a sales representative~~  
37 ~~to solicit orders within this state, the contract shall be in~~  
38 ~~writing and shall set forth the method by which the commission~~  
39 ~~is to be computed and paid. The principal shall provide the~~  
40 ~~sales representative with a signed copy of the contract and~~  
41 ~~shall obtain a signed receipt for the contract from the sales~~  
42 ~~representative.~~

43           (2)~~(3)~~(a) When the contract between a sales representative  
44 and a principal ends ~~is terminated and the contract was not~~  
45 ~~reduced to writing~~, all commissions due shall be paid within 30  
46 days after termination.

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

53           (3)~~(4)~~ This section does not apply to persons licensed  
54 pursuant to chapter 475 who are performing services within the  
55 scope of their license.

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