



**House
Legislative
Analysis
Section**

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POSTTERMINATION COMMISSIONS

20 1990

House Bill 5641
Sponsor: Rep. David Honigman
Committee: Judiciary

Complete to 5-18-90

A SUMMARY OF HOUSE BILL 5641 AS INTRODUCED 3-28-90

The bill would create a new public act to require a business to pay a wholesale sales representative his or her accrued commission within 14 days after termination of the contract between the salesperson and the supplier. For unwritten contracts and contracts that did not contain a specific termination date, the effective date of termination would be the date the person terminating the contract sent notice by certified mail to the other party.

A sales representative who complied with notice of termination requirements but did not receive his or her commission within the required 14 days could sue for triple the amount of commission, plus reasonable attorney fees and costs.

Any contract provision that purported to waive a right provided by the bill would be void. The bill would not affect the rights of a principal or sales representative that were otherwise provided by law.

House Bill 5641 (5-18-90)