

**STATE SALES REPRESENTATIVE LAWS**

<i>State</i>	<i>Citation</i>	<i>Applies to Wholesale Orders Only</i>	<i>Applies only to the Sales of Products, Not Services</i>	<i>Applies to Any Principal or Only Out-of-State Principals</i>	<i>Time Required for Last Payment After Termination of Contract</i>	<i>Damage Remedy</i>	<i>Recovery of Attorney's Fees &amp; Court Costs</i>
Alabama	Ala. Code § 8-24-1 through § 8-24-5, ¶ 7010	Yes	Products only	Any	30 days for commissions due at time of termination. For commissions due after termination within 30 days after date commissions become due.	3 times the damages sustained	Yes
Arizona	Ariz. Rev. Stat. Ann. § 44-1798 through § 44-1798.03 ¶ 7030	Yes	Products only	Out-of-State only	30 days for commissions due at time of termination. For commissions on goods delivered after termination, within a reasonable time, but no later than 9 months after last day of employment.	Damages sustained	Yes
Arkansas	Ark. Code Ann. § 4-70-301 through § 4-70-306, ¶ 7040	Yes	Products only	Out-of-state only	As specified in written contract or 30 days if contract is not in writing	3 time the damages sustained	Yes
California <sup>1</sup>	Cal. Lab. Code § 2751 through § 2752; Cal. Civil Code § 1738.10 through § 1738.17, ¶ 7050	Yes	Products only	Any	As specified in written contract	3 times the damages provided at trial	Yes
Colorado	Colo. Rev. Stat. § 12-66-101 through § 12-66-104, ¶ 7060	Yes	Products only	Any	As specified in written contract	3 times the damages sustained	Yes
Connecticut	Conn. Public Act No. 05-166	No	Products and Services	Any	As specified in contract or 30 days following termination, whichever is later. Commissions due after termination as specified in contract, but not later than 30 days after due per contract terms	Two times the commissions due	Prevailing Party
Florida <sup>2</sup>	Fla. Stat. § 686.201, ¶ 7090	No	Products only	Any	As specified in written contract or 30 days if contract is not in writing	3 times the commissions due	Yes
Georgia	Ga. Code Ann. § 10-1-700 through § 10-1-704, ¶ 7100	Yes	Products only	Any	30 days	Amounts due plus exemplary damages up to 2 times commissions due	Yes <sup>3</sup>

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Illinois	820 ILCS 120/0.01 through 120/3, ¶ 7130	No	Products only	Any	13 days for commissions due at time of termination. For commissions due after termination, within 13 days of becoming due	Exemplary damages up to 3 times the commissions owed	Yes
Indiana	Ind. Code § 24-4-7-1 through § 91A.13, ¶ 7140	Yes	Products only	Any	14 days after payment would have been due under contract if contract not terminated	Exemplary damages up to 3 times the commissions owed	Yes
Iowa	Iowa Code § 91A.1 through § 91A.13, ¶ 7160	No	Products and Services	Any	By the next regular payday	Unpaid wages—if intentional failure to pay, also liquidated damages	Yes
Kansas	Kansas Stat. Ann. § 44-341 through § 44-347, ¶ 7160	Yes	Products only	Any	30 days	Commissions due plus 1% of the unpaid commissions per day	Yes
Kentucky	Ky. Rev. Stat. Ann. § 51.441 through § 371.385, ¶ 7170	Yes	Products only	Out-of-state only	30 days	All amounts due plus exemplary damages up to 2 times the commissions due	Yes
Louisiana	La. Rev. Stat. Ann. § 51.441 through § 51.445, ¶ 7180	Yes	Products only	Any	As specified in the agreement or, if not specified, 30 working days	3 times the damages	Yes <sup>3</sup>
Maine	Me. Rev. Stat. Ann. § 1341 through § 1344, ¶ 7190	Yes	Products only	Out-of-state only	30 days	Exemplary damages up to 3 times the commissions due	Yes
Maryland	Md. Labor and Employment Code Ann. § 3-601 through § 3-607, ¶ 7200	Yes	Products only	Any	45 days after payment would have been due had contract not been terminated	Up to 3 times the commissions owed	Yes
Massachusetts	Mass. Gen. 1, ch. 104, § 7	Yes	Products only	Any	14 days for commissions due at time	Principal amount plus	Yes

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	through § 9, ¶ 7210				of termination. For commissions due after termination, within 14 days after date commissions are due	sum of up to 3 times the commissions owed.	
Michigan	Mich. Comp. Laws Ann. § 600.2961, ¶ 7220	No	Products only	Any	45 days for commissions due at time of termination. For commissions due after termination, within 45 days after date commission due	Actual damages, but if intentional, then the lesser of 2 times the commissions due or \$100,000 <sup>4</sup>	Yes
Minnesota <sup>5</sup>	Minn. Stat. Ann. § 181.145 and § 325E.37, ¶ 7230	No	Products only	Any	3 days if terminated by employer or if salesperson resigns giving 5 days written notice; 6 days if salesperson resigns without giving 5 days written notice	Commissions due plus 1/15 the commissions due for each day the commissions go unpaid—not to exceed 15 days <sup>4</sup>	Yes
Mississippi	Miss. Code Ann. § 75-87-1 through § 75-87-7, ¶ 7240	Yes	Products only	Out-of-state only	21 days	3 times the commissions due	Yes
Missouri	Mo. Rev. Stat. § 407.911 through § 407.915, ¶ 7250	No	Products only	Any	30 days for commissions due at time of termination. For commissions due after termination, within 30 days of becoming due	Commissions due plus an annualized pro-rata amount of commissions earned	Yes
Nebraska	Neb. Rev. Stat. § 48-1228 through § 48-1232, ¶ 7270	No	Products only	Any	Within 30 days of the regular payday	Unpaid commissions and if nonpayment was willful, 2 times the commissions due placed in state's common school fund—employee may only recover the	No

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New Hampshire	N.H. Rev. Stat. Ann. § 339-E:1 through § 339-E:6, ¶ 7290	No	Products only	Any	45 calendar days	unpaid wages Damages sustained plus exemplary damages	Yes
New Jersey	N.J. Stat. Ann. § 2A:61A-1 through § 2A:61A-7, ¶ 7300788	Yes	Products only	Any	When contract terminated—30 days for commissions due at time of termination. For commissions due after termination, within 30 days commissions due had contract not been terminated. When sales representative discharged—7 days	Commissions due	Yes
New York	N.Y. Labor Law § 191-a through § 191-c, ¶ 7320	Yes	Products only	Any	5 business days for commissions due when contract terminated. For commissions not due when contract terminated, within 5 business days after they become due	2 times the damages sustained	Yes
North Carolina	N.C. Gen. Stat. § 66-190 through § 66-193, ¶ 7330	Yes	Products and Services	Any	30 days for commissions due at time of termination. 15 days after the date due for commissions due after termination.	Commissions due plus exemplary damages not to exceed 2 times the amount of commissions due	Yes
Ohio <sup>2</sup>	Ohio Rev. Code Ann. § 1335.11, ¶ 7350	Yes	Products and Services	Any	30 days for commissions due at time of termination. 13 days of date commissions become due for commissions due after termination	3 times the commissions due	Yes

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Oklahoma	Okla. Stat. Tit. 15, § 675 through § 679, ¶¶ 7360	Yes	Products only	Out-of-state only	14 days for commissions due at time of termination. For commissions due after termination, within 14 days of date commissions become due	Commissions due	Yes
Oregon	Or. Rev. Stat. § 646.878, ¶¶ 7370	Yes	Products only	Out-of-State only	14 days	Commissions due plus 9% interest on amount due per annum until paid plus 3 times the damages if willful failure to comply	Yes
Pennsylvania <sup>2</sup>	Pa. Stat. Ann. § 1471 through § 1478, ¶¶ 7380	Yes	Products only	Any	14 days after contractual due date for commissions due at time of termination and 14 days after contractual due date for commissions becoming due after termination	Commissions due plus exemplary damages not to exceed 2 times the commission due	Yes
South Carolina	S.C. Code Ann. § 39-65-10 through § 39-65-80, ¶¶ 7400	Yes	Products only	Any	As specified in the contract	All amounts due plus punitive damages not to exceed 3 times the commissions due	Yes
Tennessee	Tenn. Code Ann. § 47-50-114, ¶¶ 7420	Yes	Products only	Any	14 days for commissions due at termination. For commissions becoming due after termination, 14 days after they become due. If bad faith, exemplary damages up to 3 times the amount of commissions due	Amount of Commissions due	Yes

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Texas	Tex. Bus. & Com. Code Ann. § 35.81 through § 35.86, ¶ 7430	Yes	Products only	Any	As specified in written contract; 30 days if contract is not in writing	3 times the commissions due	Yes
Virginia	Va. Code Ann. § 59.1-455 through § 59.1-459, ¶ 7460	Yes	Products only	Any	As specified in contract—but not to exceed 30 days from termination or, for orders processed after termination, 30 days from shipment	Not specified	No
Washington	Wash. Rev. Code § 49.48 150 through 49.48 190, ¶ 7470	Yes	Products only	Any	30 days after receipt of payment by the principal for products/goods sold by sales representative	Not specified	No
Wisconsin	Wis. Stats. § 134.93, ¶ 7490	Yes	Products only	Any	At time of termination, cancellation, or nonrenewal of the contract	Commissions due plus exemplary damages of not more than 2 times the amount of commissions due, plus all actual costs in bringing an action, obtaining a judgment, and collecting on same	Yes
Puerto Rico	P.R. Laws Ann. Tit. 10, § 279 through § 279b, ¶ 7520	No	Products and Services	Any	Not specified	Not specified	No

<sup>1</sup> There are two laws in California regulating the sales representative relationship. The Independent Wholesale Representatives Contractual Relations Act of 1990, Cal. Civil Code § 1238.10 through § 1238.17 applies to *any* principal but applies *only* to wholesale orders. By contrast, The Commission Contracts Law, Cal. Labor Code § 2751 through 2752 applies only to out-of-state principals, but applies to *all* commission contracts, whether they involve the solicitation of wholesale or retail orders.

<sup>2</sup> The Florida Statute was held unconstitutional because it discriminates against interstate commerce by imposing requirements on out-of-state principals which are not applicable to in-state business. See *D.G.D. Inc. vs. Jason Berkowitz*, ¶ 10.115,605 So. 2d 496 (Fla. Ct. App. 3d Dist. 1992). The same fate befell the Ohio statute; see *Johnson, MacDonald & Associates vs. Webster Plastics*, CCH Business Franchise Guide ¶ 11.087.856 F.Supp. 1249 (S.D. Ohio 1994) (although the law was amended in 1999 to cure the constitutional defect by making it applicable to both in-state and out-of-state principals), as well as the Pennsylvania statute; see *Palmer-Lucas, Inc. v. Martin's Herend Imports, Inc.* CCH Business Franchise Guide ¶ 10.535.827 F.Supp. 345 (W.D. Pa. 1993). *Harris v. Hartz & Co., Inc.*, 1996 U.S. Dist. Lexis 8032 (E.D. Pa. 1996); and the Kentucky law, see *Cecil v. Duck Head Apparel Co.* 8951 Supp. 155 (W.D. Ky. 1995). The Florida and Pennsylvania Statutes have also been amended to cure their constitutional defects by making the Statutes applicable to both in-state and out-of-state principals.

<sup>3</sup> Statute permits recovery of reasonable attorney's fees only and omits court costs.

<sup>4</sup> Effectively, a maximum of double the commission due.

<sup>5</sup> There are two sales representative laws in Minnesota. The prompt Payment of Commissions to Commission Salespeople Law, Minn. Stat. § 181.145, applies to any principal who employs a commission salesperson in the state. Its main purpose is to establish when commission payments are due upon contract termination. The Termination of Sales Representatives Law, Minn. Stat. § 325E.37, likewise applies to any principal. It is meant to protect sales representatives from termination of the agreement absent

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