



MISSOURI HOUSE OF REPRESENTATIVES  
**WITNESS APPEARANCE FORM**

BILL NUMBER: <b>HB 1644</b>		DATE: <b>1/13/2026</b>
COMMITTEE: <b>Economic Development</b>		
<b>TESTIFYING:</b> <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES		
<b>WITNESS NAME</b>		
<b>REGISTERED LOBBYIST:</b>		
WITNESS NAME: <b>JARED HANKINSON</b>		PHONE NUMBER:
REPRESENTING: <b>MO CHAMBER</b>		TITLE:
ADDRESS:		
CITY:		STATE: <b>MO</b>
		ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: <b>1/13/2026 12:00 AM</b>
<b>THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.</b>		



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<b>WITNESS NAME</b>			
<b>REGISTERED LOBBYIST:</b>			
WITNESS NAME: <b>KATIE GAMBLE</b>		PHONE NUMBER: <b>573-634-4876</b>	
REPRESENTING: <b>MISSOURI HOTEL LODGING ASSOCIATION</b>		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: <b>1/13/2026 12:00 AM</b>	
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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>MATTHEW KAGEL</b>		PHONE NUMBER: <b>804-370-1063</b>	
BUSINESS/ORGANIZATION NAME: <b>INTERNATIONAL FRANCHISE ASSOCIATION; AMERICAN HOTEL &amp; LODGING ASSOCIATION</b>		TITLE: <b>SENIOR DIRECTOR, STATE &amp; LOCAL GOVERNMENT RELATION</b>	
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EMAIL: <b>mkagel@franchise.org</b>	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>1/12/2026 11:21 AM</b>	
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Dear Chairwoman Gallick, Vice Chairman Thompson, Ranking Minority Member Rush, and Members of the Committee:

On behalf of the International Franchise Association (IFA) and the American Hotel and Lodging Association (AHLA), we respectfully submit this written testimony in strong support of HB 1644, legislation to clarify Missouri’s joint-employer standard as it applies to franchising.

IFA is the world’s largest organization representing franchise businesses, franchisees, and suppliers. Our members include many of Missouri’s local franchise owners—small business operators who employ thousands of Missourians and invest deeply in their communities.

AHLA is the national trade association representing the U.S. lodging industry, including hotel brands, owners, operators, and management companies. The majority of hotels are locally owned franchises and small businesses that support millions of jobs and generate significant tax revenue in communities nationwide. AHLA advocates for policies that enable these businesses to grow, invest, and continue serving travelers and local economies.

**Importance of Franchising to Missouri’s Economy**

Franchising is a vital engine of Missouri’s economy. According to IFA’s 2025 Franchising Economic Outlook report, nearly 17,000 franchised businesses operate in the state, supporting approximately 180,000 jobs and contributing more than \$17 billion to Missouri’s GDP. These businesses are overwhelmingly small, locally owned enterprises that depend on a stable legal environment to grow, hire, and serve their customers.

Similarly, Missouri’s lodging industry is a major economic engine for the state and its communities. The state’s 1,245 hotels generate approximately \$3.6 billion in combined lodging, state, and federal tax revenue, support nearly 130,000 Missouri jobs representing \$6.5 billion in wages and salaries, and drive nearly \$10 billion in guest spending statewide. These impacts underscore the sector’s critical role in sustaining local economies, public services, and employment across Missouri.

**The Problem: Legal Uncertainty Around Joint Employment**

Despite the importance of franchising, Missouri law currently lacks a franchise-specific joint-employer

standard. The absence of joint employment clarity has led to:

- Increased litigation alleging that franchisors are “joint employers” of workers under Missouri labor and employment laws in an attempt to upend the entire franchise business model. Franchisees are independent owners and operators of their business, for which they exclusively maintain direct control over essential terms of employment like hiring, firing, discipline, wages, benefits, and supervision. Attempts to conflate employer status will lead to franchisees losing control over their businesses.
- Rising insurance and legal costs for small franchise owners.
- A chilling effect on franchisor-provided training, safety guidance, human trafficking prevention, and compliance support to franchise owners.
- Forum shopping and inconsistent outcomes in state and federal courts.

Routine brand standards—designed to protect workers and consumers and ensure consistency across locations—are increasingly mischaracterized as employer control.

#### **HB 1644 Provides a Clear, Balanced Solution**

HB 1644 establishes a clear and narrowly tailored rule:

A franchisor is not an employer of a franchisee or the franchisee’s employees unless the franchisor directly and immediately controls essential terms and conditions of employment. This standard reflects decades of established law and preserves accountability where it belongs—while protecting legitimate franchise relationships and routine brand support.

Importantly, HB 1644 does not eliminate worker protections. Employees retain full rights and remedies against their actual employer and against franchisors that actually exercise direct control over employment decisions.

#### **Missouri Would Join a Strong National Consensus**

HB 1644 follows a well-established model. Twenty-one states have enacted similar joint-employer clarification laws, including Missouri’s neighboring states of Iowa, Arkansas, Kentucky, and Tennessee. Other states include Texas, Wisconsin, Michigan, Oklahoma, Indiana, and Ohio.

Courts in these states have repeatedly confirmed that:

- Brand standards and routine franchisor support do not create employment relationships.
- Liability attaches only when a franchisor actually controls day-to-day employment decisions.

These laws have brought predictability, reduced unnecessary litigation, and allowed franchising to continue creating jobs without undermining worker rights.

#### **Pass HB 1644**

HB 1644 is a simple and common-sense clarification that will protect Missouri’s small business owners, preserve worker rights, and align Missouri law with neighboring states and national best practices.

For these reasons, the International Franchise Association and the American Hotel & Lodging Association strongly urges passage of HB 1644. We appreciate the Committee’s consideration and stand ready to serve as a resource as this legislation moves forward.



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<b>WITNESS NAME</b>			
<b>REGISTERED LOBBYIST:</b>			
WITNESS NAME: <b>MICHAEL HENDERSON</b>		PHONE NUMBER: <b>573-520-7240</b>	
REPRESENTING: <b>US CHAMBER OF COMMERCE; AMERICAN HOTEL &amp; LODGING ASSOCIATION</b>		TITLE:	
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CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65101</b>
EMAIL:	ATTENDANCE:	SUBMIT DATE: <b>1/13/2026 12:00 AM</b>	
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<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>ARNIE DIENOFF-STATE PUBLIC ADVOCATE</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>In-Person</b>	SUBMIT DATE: <b>1/13/2026 11:21 PM</b>	
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**I am Opposed to this Bill. This Bill is not needed and is for Special-Interest. This issue is a private matter and we do not need more State Laws, Regulations and Promulgated Rules.**



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<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>SARAH BERRY</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>1/13/2026 5:59 PM</b>	

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I submit this testimony in opposition to HB 1644.  
 HB 1644 narrows the definition of a “joint employer” by declaring that a franchisor and its franchisee’s employees are not considered jointly employed unless the franchisor exercises direct and immediate control over hiring, firing, discipline, or direction of work.  
 While framed as a clarification, this bill effectively shields large corporate franchisors from accountability while preserving their economic power and brand control — shifting risk and liability downward onto smaller operators and workers.  
 In modern franchising models, franchisors often:  
 dictate operational standards, schedules, technology systems, pricing, uniforms, training protocols, and performance metrics;  
 control software that governs staffing, productivity, and labor costs;  
 enforce brand compliance that directly affects working conditions.  
 Yet HB 1644 allows franchisors to benefit from control without responsibility, provided they avoid formal involvement in a narrow set of employment decisions. This creates a legal structure where:  
 workers have fewer avenues for redress,  
 accountability is fragmented,  
 and those with the greatest power face the least responsibility.  
 Missouri workers should not lose protections simply because employment relationships are structured through franchising agreements. Labor law should reflect economic reality, not contractual technicalities designed to avoid liability.  
 If a business model depends on controlling outcomes while disclaiming responsibility for workers, that is a policy problem — not a justification for rewriting the law in favor of the more powerful party.  
 For these reasons, I respectfully urge the committee to oppose HB 1644 and preserve worker protections and accountability under Missouri law.  
 Thank you for the opportunity to submit this testimony.