

Superseded 5/14/2019

34-44-102 Definitions.

As used in this chapter:

- (1) "Business relationship" means an agreement that governs the relationship of principal and sales representative.
- (2) "Commission" means:
 - (a) compensation:
 - (i) that accrues to a sales representative;
 - (ii) for payment by a principal; and
 - (iii) at a rate expressed as a percentage of the dollar amount of sales, orders, or profits; or
 - (b) any other method of compensation agreed to between a sales representative and a principal including:
 - (i) fees for services; and
 - (ii) a retainer.
- (3) "Principal" means a person who:
 - (a) engages in any of the following activities with regard to a product or service:
 - (i) manufactures;
 - (ii) produces;
 - (iii) imports;
 - (iv) sells; or
 - (v) distributes;
 - (b) establishes a business relationship with a sales representative to solicit orders for a product or a service described in Subsection (3)(a); and
 - (c) agrees to compensate a sales representative, in whole or in part, by commission.
- (4)
 - (a) Except as provided in Subsection (4)(b), "sales representative" means a person who enters into a business relationship with a principal:
 - (i) to solicit orders for a product or a service described in Subsection (3)(a); and
 - (ii) under which the person is compensated, in whole or in part, by commission.
 - (b) "Sales representative" does not include:
 - (i) an employee of a principal;
 - (ii) a person licensed under Title 31A, Insurance Code;
 - (iii) a person licensed under Title 41, Chapter 3, Part 2, Licensing;
 - (iv) a person licensed under Title 61, Chapter 2f, Real Estate Licensing and Practices Act;
 - (v) a person who provides a product or service under a business relationship with a principal that is incident to the purchase or sale of real property; or
 - (vi) a person who places an order or purchases a product or service for that person's own account for resale.
- (5) "Terminates" or "termination" means the end of a business relationship between a sales representative and a principal, whether by:
 - (a) agreement;
 - (b) expiration of a time period; or
 - (c) exercise of a right of termination by either the principal or the sales representative.