

HB0441S01 compared with HB0441

{Omitted text} shows text that was in HB0441 but was omitted in HB0441S01

inserted text shows text that was not in HB0441 but was inserted into HB0441S01

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1 **Franchisee Protection Act**

. 2025 GENERAL SESSION

. STATE OF UTAH

. **Chief Sponsor: Ken Ivory**

. Senate Sponsor:

2

3 **LONG TITLE**

4 **General Description:**

5 This bill establishes protections for franchisees.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ defines terms;

9 ▶ prohibits a franchisor from requiring a franchisee to open on a religious holiday or day of worship when doing so conflicts with the franchisee's sincerely held religious belief;

11 ▶ provides exceptions under which a franchisor may require a franchisee to open when doing so may conflict with the franchisee's sincerely held religious belief;

13 ▶ provides a remedy for a franchisee if the franchisor violates the prohibition without an exception; and

15 ▶ provides a civil penalty for a franchisor that violates the prohibition without an exception.

16 **Money Appropriated in this Bill:**

17 None

18 This bill provides a special effective date.

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21 ENACTS:

22 **13-75-101** , Utah Code Annotated 1953 , Utah Code Annotated 1953

23 **13-75-201** , Utah Code Annotated 1953 , Utah Code Annotated 1953

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25 *Be it enacted by the Legislature of the state of Utah:*

26 Section 1. Section 1 is enacted to read:

27 **CHAPTER 75. FRANCHISE PROTECTION ACT**

28 **Part 1. General Provisions**

29 **13-75-101. Definitions.**

30 (1)

. (a) "Franchise agreement" means a written agreement, an amendment, or renewal of a written agreement, or in the absence of any written agreement, a course of practice, in which a person grants to another person a license to use a trade name, trademark, service mark, or related characteristic in exchange for the payment of a franchise fee.

34 (b) "Franchise agreement" includes a sales and service agreement other than a sales and service agreement regulated by Chapter 14, New Automobile Franchise Act.

36 (2)

. (a) "Franchisee" means a person with which a franchisor has agreed or permitted, in writing or in practice, to purchase, sell, or offer for sale a product manufactured, produced, represented, or distributed by the franchisor in exchange for the payment of a franchise fee from the franchisee to the franchisor.

40 (b) "Franchisee" does not include:

39 ~~{(b)}~~ (i) ~~{"Franchisee" does not include~~ } a person that is regulated by Chapter 14, New Automobile Franchise Act~~{-}~~; or

42 (ii) a person that is regulated by Title 29, Hotels and Hotel Keepers.

41 (3)

. (a) "Franchisor" means a person that has agreed with or permits, in writing or in practice, a franchisee to purchase, sell, or offer for sale a product manufactured, produced, assembled, represented, or distributed by the franchisor.

44 (b) "Franchisor" includes:

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- 45 (i) the manufacturer, producer, assembler, or distributor of the product;
46 (ii) an intermediate distributor; and
47 (iii) an agent, officer, or field or area representative of the franchisor.
50 (c) "Franchisor" does not include:
48 ~~{(e)}~~ (i) ~~{"Franchisor" does not include~~ a person that is regulated by Chapter 14, New Automobile
Franchise Act~~{:}~~; ;
52 (ii) a person that is regulated by Title 29, Hotels and Hotel Keepers; or
53 (iii) a person that is granting franchises for the right to operate businesses regulated by Title 29, Hotels
and Hotel Keepers.
50 (4)
. (a) "Original franchise agreement" means a franchise agreement that is not a renewal or an amendment.
52 (b) "Original franchise agreement" includes any written documents incorporated into the agreement by
reference.
54 (5) "Religious day operation requirement" means any requirement that has the effect of requiring
a franchisee to operate a franchise on a day when doing so would conflict with the franchisee's
sincerely held religious belief.

62 Section 2. Section 2 is enacted to read:

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Part 2. Franchisee Protection

64 **13-75-201. Franchisee religious exemption.**

- 60 (1) Except as provided in Subsection (2), when a franchisee asserts a sincerely held religious belief, a
franchisor may not:
62 (a) enforce a religious day operation requirement;
63 (b) require a franchisee to accept a religious day operation requirement as a part of an amendment to the
franchise agreement; or
65 (c) refuse to renew a franchise agreement based on a franchisee's decision to not comply with a
religious day operation requirement.
67 (2) Subsection (1) does not apply when:
68 (a) the original franchise agreement conspicuously provides a religious day operation requirement;
70 (b) the franchisee agrees through a renewal or an amendment to the franchise agreement to a religious
day operation requirement; or

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- (c) the franchisor and the franchisee enter a franchise agreement expanding the franchisee's number of franchise locations that contains a religious day operation requirement.
- 75 (3) If a court finds reasonable cause to believe that a franchisor violated Subsection (1), the court may order:
- 77 (a) actual damages, reasonable attorney fees, and costs to the franchisee;
- 78 (b) any permanent or temporary injunction, a temporary restraining order, or other appropriate order;
and
- 80 (c) civil penalties against the franchisor in an amount not exceeding:
- 81 (i) \$10,000 for a first violation;
- 82 (ii) \$25,000 for an additional violation within the five-year period ending on the day on which the franchisee filed the complaint; or
- 84 (iii) \$50,000 for a violation subsequent to the second violation within the seven-year period ending on the day on which the franchisee filed the complaint.
- 91 Section 3. **Effective date.**
This bill takes effect:
- 88 (1) except as provided in Subsection (2), May 7, 2025; or
- 89 (2) if approved by two-thirds of all members elected to each house:
- 90 (a) upon approval by the governor;
- 91 (b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or
- 93 (c) in the case of a veto, the date of veto override.
- 2-13-25 2:56 PM