

# HB0441S02 compared with HB0441S01

~~{Omitted text}~~ shows text that was in HB0441S01 but was omitted in HB0441S02  
inserted text shows text that was not in HB0441S01 but was inserted into HB0441S02

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## Franchisee Protection Act

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ken Ivory**

Senate Sponsor: Michael K. McKell

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### LONG TITLE

#### General Description:

This bill establishes protections for franchisees.

#### Highlighted Provisions:

This bill:

- defines terms;
- prohibits a franchisor from requiring a franchisee to open on a ~~{religious holiday or day of worship when doing so}~~ when operating conflicts with the franchisee's sincerely held religious belief;
- provides exceptions under which a franchisor may require a franchisee to open ~~{when doing so may}~~ a franchise despite a conflict with the franchisee's sincerely held religious belief;
- provides a remedy for a franchisee if the franchisor violates the prohibition without an exception; and
- provides a civil penalty for a franchisor that violates the prohibition without an exception.

#### Money Appropriated in this Bill:

None

#### Other Special Clauses:

HB0441S01

## HB0441S01 compared with HB0441S02

This bill provides a special effective date.

ENACTS:

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

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

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

Section 1. Section **1** is enacted to read:

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

75. FRANCHISE PROTECTION ACT

1. General Provisions

(1)

(a) "Franchise agreement" means a written agreement that:

(i) grants a franchisee the right to engage in a business of offering, selling, or distributing goods or services;

(ii) grants the franchisee license to use a trademark, service mark, trade name, advertising, or other commercial symbol that the franchisor owns or leases; and

(iii) requires the franchisee to pay a franchise fee.

~~{(a)}~~ (b) "Franchise agreement" ~~{means a written agreement, an amendment, or renewal of a }~~ includes  
all written {agreement, or } documents incorporated 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 }~~ by  
reference.

~~{(b)}~~ (c) "Franchise agreement" ~~{includes a sales and service agreement other than }~~ does not include a  
sales and service agreement regulated by ~~{Chapter 14, New Automobile Franchise Act. }~~ :

(i) Chapter 14, New Automobile Franchise Act; or

(ii) Title 29, Hotels and Hotel Keepers.

(2)

(a) "Franchisee" means a person {with } to 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 } grants a franchise.

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- 40 (b) "Franchisee" does not include:
- 41 (i) 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.
- 43 (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.}-}
- 46 {(b)} (a) "Franchisor" {includes:} means a person that grants a franchise to another person.
- 47 {(i) {the manufacturer, producer, assembler, or distributor of the product;-} }
- 48 {(ii) {an intermediate distributor; and}-}
- 49 {(iii) {an agent, officer, or field or area representative of the franchisor.}-}
- 50 {(e)} (b) "Franchisor" does not include:
- 51 (i) 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.
- 55 {(4) }
- {(a)} (4) "Original franchise agreement" means {a-} the initial franchise agreement that {is not a renewal or an amendment} the franchisee and franchisor sign.
- 57 {(b) {"Original franchise agreement" includes any written documents incorporated into the agreement by reference.}-}
- 59 (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-} operating would conflict with the franchisee's sincerely held religious belief.
- 56 (6) "Violation" means a franchisor's failure to comply with this chapter resulting in a court with jurisdiction imposing a civil penalty under Section 13-75-201 against the franchisor.
- 59 Section 2. Section 2 is enacted to read:
- 61 **13-75-201. Franchisee religious {exemption} day operation protection.**
2. Franchisee Protection
- 65 (1) Except as provided in Subsection (2), when a franchisee asserts a sincerely held religious belief, a franchisor may not:

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- 67 (a) ~~{enforce}~~ unilaterally impose a religious day operation requirement;
- 68 (b) require a franchisee to accept a religious day operation requirement as a part of an amendment to the  
franchise agreement; or
- 70 (c) refuse to renew a franchise agreement based solely on a franchisee's ~~{decision}~~ failure to ~~{not}~~  
comply with a religious day operation requirement.
- 72 (2) Subsection (1) does not apply when:
- 73 (a) the original franchise agreement ~~{conspicuously}~~ provides a religious day operation requirement;
- 75 (b) the franchisee agrees through a renewal or an amendment to the franchise agreement to a religious  
day operation requirement; or
- 77 (c) the franchisor and the franchisee enter into a franchise agreement ~~{expanding the franchisee's~~  
number of franchise locations} to develop an additional franchise location that contains a religious  
day operation requirement.
- 75 (3) The protections provided in Subsection (1) are not transferable.
- 80 ~~{(3)}~~ (4) If a court with jurisdiction finds reasonable cause to believe that a franchisor violated  
Subsection (1), the court may order:
- 82 (a) actual damages, reasonable attorney fees, and costs to the franchisee;
- 83 (b) ~~{any}~~ a permanent or temporary injunction, a temporary restraining order, or other appropriate  
order; and
- 85 (c) civil penalties against the franchisor in an amount not exceeding:
- 86 (i) \$10,000 for a first violation;
- 87 (ii) \$25,000 for ~~{an additional}~~ a second violation within ~~{the five-year period ending on}~~ three years  
after the day on which the franchisee filed the complaintfor the first violation; or
- 89 (iii) \$50,000 for a violation subsequent to ~~{the}~~ a second violation within ~~{the seven-year period~~  
ending on} five years after the day on which the franchisee filed the complaintfor the first violation.
- 87 Section 3. **Effective date.**  
Effective Date.  
This bill takes effect:
- 93 (1) except as provided in Subsection (2), May 7, 2025; or
- 94 (2) if approved by two-thirds of all members elected to each house:
- 95 (a) upon approval by the governor;
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(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

98 (c) in the case of a veto, the date of veto override.

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