

## SB138 INTRODUCED



1 SB138  
2 XD9W4Z7-1  
3 By Senator Roberts  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 14-Jan-26



SYNOPSIS:

This bill would prohibit a franchisor from requiring a franchisee that asserts a sincerely held religious belief to operate on a religious day unless: (i) the original franchise agreement required operation on a religious day; (ii) the franchisee agrees to the operation on a religious day; or (iii) the franchise locations are expanded and the agreement setting forth the expansion requires the operation on a religious day.

This bill would also provide for a cause of action if a franchisor violates this act and would provide for penalties.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to franchises; to prohibit a franchisor from requiring a franchisee that asserts a sincerely held religious belief to operate on a religious day under certain circumstances; and to provide a cause of action for violations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:



## SB138 INTRODUCED

Section 1. (a) For purposes of this section, the following terms have the following meanings:

(1) FRANCHISE AGREEMENT. A written agreement or an amendment or renewal of a written agreement, or in the absence of a 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. The term includes a sales and service agreement other than a sales and service agreement regulated by Chapter 20 of Title 8, Code of Alabama 1975, The Motor Vehicle Franchise Act; Chapter 8A of Title 28, Code of Alabama 1975; or Chapter 9 of Title 28, Code of Alabama 1975.

(2) FRANCHISEE. a. 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.

b. The term does not include a person regulated under Chapter 20 of Title 8, Code of Alabama 1975, The Motor Vehicle Franchise Act; Chapter 8A of Title 28, Code of Alabama 1975; or Chapter 9 of Title 28, Code of Alabama 1975.

(3) FRANCHISOR. a. 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. The term includes: (i) the manufacturer, producer, assembler, or distributor of the product; (ii) an intermediate distributor;



## SB138 INTRODUCED

and (iii) an agent, officer, or field or area representative of the franchisor.

b. The term does not include a person regulated under Chapter 20 of Title 8, Code of Alabama 1975, The Motor Vehicle Franchise Act; Chapter 8A of Title 28, Code of Alabama 1975; or Chapter 9 of Title 28, Code of Alabama 1975.

(4) ORIGINAL FRANCHISE AGREEMENT. A franchise agreement that is not a renewal or an amendment. The term includes any written documents incorporated into the agreement by reference.

(5) RELIGIOUS DAY OPERATION REQUIREMENT. 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 beliefs.

(b) Except as provided in subsection (c), when a franchisee asserts a sincerely held religious belief, a franchisor may not:

(1) Enforce a religious day operation requirement;

(2) Require a franchisee to accept a religious day operation requirement as part of an amendment to the franchise agreement; or

(3) Refuse to renew a franchise agreement based on a franchisee's decision to not comply with a religious day operation requirement.

(c) Subsection (b) does not apply when:

(1) The original franchise agreement conspicuously provides a religious day operation requirement;

(2) The franchisee agrees through a renewal or an



## SB138 INTRODUCED

amendment to the franchise agreement to a religious day operation requirement; or

(3) The franchisor and the franchisee enter a franchise agreement expanding the franchisee's number of franchise locations which contains a religious day operation requirement.

(d) If a court finds reasonable cause to believe that a franchisor violated subsection (b), the court may order:

(1) Actual damages, reasonable attorney fees, and costs to the franchisee;

(2) A permanent or temporary injunction, a temporary restraining order, or other appropriate order; and

(3) Civil penalties against the franchisor in an amount not exceeding:

a. Ten thousand dollars (\$10,000) for a first violation;

b. Twenty-five thousand dollars (\$25,000) for an additional violation within the five-year period ending on the day on which the franchisee filed the complaint; or

c. Fifty thousand dollars (\$50,000) for an additional violation within the seven-year period ending on the day on which the franchisee filed the complaint.

Section 2. This act shall become effective on June 1, 2026.