

R. Neil Walter proposes the following substitute bill:

Real Estate Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

LONG TITLE

General Description:

This bill amends provisions relating to real estate.

Highlighted Provisions:

This bill:

- defines terms;
- extends the implementation date for the property manager license to January 1, 2027;
- provides that the Division of Real Estate (division) shall make rules for the licensing of a dual broker;
- provides that a dual broker may engage in property management without obtaining a property management license;
- establishes the scope of a property manager license;
- requires an individual who holds a property manager license who is employed by a person that is required to affiliate with a principal broker to also affiliate with the principal broker;
- provides the conditions under which a property manager is not required to affiliate with a principal broker;
- amends provisions relating to investigating a violation of Title 61, Chapter 2f, Real Estate Licensing and Practices Act;
- provides requirements for the records that a brokerage and a property manager that meets certain requirements is required to maintain;
- amends the circumstances under which a property manager is not required to maintain property management client funds in a trust account; and
- makes technical changes.

Money Appropriated in this Bill:

None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **61-2f-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 934 **61-2f-103**, as last amended by Laws of Utah 2025, First Special Session, Chapter 435 **61-2f-201**, as last amended by Laws of Utah 2025, First Special Session, Chapter 436 **61-2f-202**, as last amended by Laws of Utah 2025, Chapter 24837 **61-2f-202.5**, as enacted by Laws of Utah 2025, Chapter 24838 **61-2f-203**, as last amended by Laws of Utah 2025, First Special Session, Chapter 439 **61-2f-204**, as last amended by Laws of Utah 2025, Chapter 24840 **61-2f-302**, as last amended by Laws of Utah 2010, Chapter 184 and renumbered and
41 amended by Laws of Utah 2010, Chapter 37942 **61-2f-309**, as enacted by Laws of Utah 2025, Chapter 26343 **61-2f-402**, as last amended by Laws of Utah 2025, Chapter 26344 **61-2f-411**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

45 REPEALS:

46 **61-2f-101**, as enacted by Laws of Utah 2010, Chapter 379

47

48 *Be it enacted by the Legislature of the state of Utah:*49 Section 1. Section **61-2f-102** is amended to read:50 **61-2f-102 . Definitions.**

51 As used in this chapter:

52 (1) "Admonition" means a public discipline that declares the conduct of a person as
53 improper and does not identify the person.

54 (2)(a) "Advertisement" means a notice or announcement meant to:

55 (i) promote the availability of real estate, an option on real estate, or a business
56 opportunity for sale, exchange, auction, or lease;

57 (ii) offer specific types of brokerage services; or

58 (iii) specifically solicit the public to contact that licensee for more information.

59 (b) "Advertisement" does not include a social media post that generally identifies the
60 person as being engaged in the profession of real estate if the social media post does
61 not:

62 (i) promote the availability of real estate, an option on real estate, or a business

- 63 opportunity for sale, exchange, auction, or lease;
- 64 (ii) offer specific types of brokerage services; or
- 65 (iii) specifically solicit the public to contact that licensee for more information.
- 66 (3) "Advertising" or "advertise" means placing or directing the placement of an
67 advertisement.
- 68 (4) "Associate broker" means an individual who is:
- 69 (a) employed or engaged as an independent contractor by or on behalf of a principal
70 broker to perform an act described in Subsection [~~(29)~~] (30) for valuable
71 consideration; and
- 72 (b) licensed or is required to be licensed under this chapter as an associate broker.
- 73 (5) "Branch broker" means an associate broker who manages a principal broker's branch
74 office under the supervision of the principal broker.
- 75 (6) "Branch office" means a principal broker's real estate brokerage office that is not the
76 principal broker's main office.
- 77 (7) "Brokerage" means an entity registered or required to be registered with the division [
78 ~~pursuant to~~] in accordance with Section 61-2f-206.
- 79 (8) "Brokerage name" means:
- 80 (a) the name of the brokerage as shown on division records;
- 81 (b) the name of a branch office of the brokerage; or
- 82 (c) a [~~DBA~~] D.B.A. of the brokerage.
- 83 (9) "Business day" means a day other than:
- 84 (a) a Saturday;
- 85 (b) a Sunday; or
- 86 (c) a federal or state holiday.
- 87 (10) "Business opportunity" means the sale, lease, or exchange of any business that
88 includes an interest in real estate.
- 89 (11) "Commission" means the Real Estate Commission established under this chapter.
- 90 (12) "Common interest association" means the same as that term is defined in Section
91 57-1-46.
- 92 (13) "Concurrence" means the entities given a concurring role [~~must~~] shall jointly agree for
93 action to be taken.
- 94 (14)(a) "Condominium hotel" means one or more condominium units that are operated
95 as a hotel.
- 96 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of

97 which are owned by a single entity.

98 (15) "Condominium unit" means the same as that term is defined in Section 57-8-3.

99 (16) "Director" means the director of the Division of Real Estate.

100 (17) "Division" means the Division of Real Estate.

101 (18) [~~"Doing business as" or "DBA"~~] "D.B.A." means a name that is registered with the
102 Division of Corporations and Commercial Code that allows a business to operate under
103 a name different from the business's legal name.

104 (19) "DOD civilian" means the same as that term is defined in Section 53H-11-202.

105 (20) "Dual broker" means a principal broker who functions as the principal property
106 manager of a property management company that is a separate entity from a brokerage.

107 [~~(20)~~] (21) "Entity" means:

108 (a) a corporation;

109 (b) a partnership;

110 (c) a limited liability company;

111 (d) a company;

112 (e) an association;

113 (f) a joint venture;

114 (g) a business trust;

115 (h) a trust; or

116 (i) any organization similar to an entity described in Subsections [~~(20)(a)~~] (21)(a)
117 through (h).

118 [~~(21)~~] (22) "Executive director" means the director of the Department of Commerce.

119 [~~(22)~~] (23) "Factory built housing" means a manufactured home or mobile home.

120 [~~(23)~~] (24) "Foreclosure rescue" means, for compensation or with the expectation of
121 receiving valuable consideration:

122 (a) an act that:

123 (i) the person represents will assist a borrower in preventing a foreclosure; and

124 (ii) relates to a transaction involving the transfer of title to residential real property; or

125 (b) as an employee or agent of another person:

126 (i) a solicitation or an offer that the other person will engage in an act described in
127 Subsection [~~(23)(a)~~] (24)(a); or

128 (ii) negotiation of the terms in relationship to an act described in Subsection [~~(23)(a)~~]
129 (24)(a).

130 [~~(24)~~] (25) "Loan modification assistance" means, for compensation or with the expectation

- 131 of receiving valuable consideration:
- 132 (a) an act, or an offer to act, on behalf of a person to:
- 133 (i) obtain a loan term of a residential mortgage loan that is different from an existing
- 134 loan term including:
- 135 (A) an increase or decrease in an interest rate;
- 136 (B) a change to the type of interest rate;
- 137 (C) an increase or decrease in the principal amount of the residential mortgage
- 138 loan;
- 139 (D) a change in the number of required period payments;
- 140 (E) an addition of collateral;
- 141 (F) a change to, or addition of, a prepayment penalty;
- 142 (G) an addition of a cosigner; or
- 143 (H) a change in persons obligated under the existing residential mortgage loan; or
- 144 (ii) a substitute of a new residential mortgage loan for an existing residential
- 145 mortgage loan; or
- 146 (b) as an employee or agent of another person:
- 147 (i) a solicitation or an offer that the other person will engage in an act described in
- 148 Subsection [~~(24)~~(a)] (25)(a); or
- 149 (ii) negotiation of the terms in relationship to an act described in Subsection [~~(24)~~(a)]
- 150 (25)(a).
- 151 [~~(25)~~] (26) "Main office" means the address that a principal broker designates with the
- 152 division as the principal broker's primary brokerage office.
- 153 [~~(26)~~] (27) "Manufactured home" means the same as that term is defined in Section
- 154 15A-1-302.
- 155 [~~(27)~~] (28) "Mobile home" means the same as that term is defined in Section 15A-1-302.
- 156 [~~(28)~~] (29) "Person" means an individual or entity.
- 157 [~~(29)~~] (30) "Principal broker" means an individual who:
- 158 (a) is licensed or required to be licensed as a principal broker under this chapter; and
- 159 (b)(i) sells or lists for sale real estate, including real estate being sold as part of a
- 160 foreclosure rescue, a business opportunity, or, unless licensed with the Division of
- 161 Professional Licensing as a dealer under Title 58, Chapter 56, Building Inspector
- 162 and Factory Built Housing Licensing Act, factory built housing, with the
- 163 expectation of receiving valuable consideration;
- 164 (ii) buys, exchanges, or auctions real estate, an option on real estate, a business

- 165 opportunity, or, unless licensed with the Division of Professional Licensing as a
 166 dealer under Title 58, Chapter 56, Building Inspector and Factory Built Housing
 167 Licensing Act, factory built housing, with the expectation of receiving valuable
 168 consideration;
- 169 (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged
 170 in the business described in Subsection [~~(29)(a)~~] (30)(b)(i) or (b)(ii);
- 171 (iv) is employed by or on behalf of the owner of real estate or by a prospective
 172 purchaser of real estate and performs an act described in Subsection [~~(29)(a)~~]
 173 (30)(b)(i), whether the individual's compensation is at a stated salary, a
 174 commission basis, upon a salary and commission basis, or otherwise;
- 175 (v) with the expectation of receiving valuable consideration, manages property
 176 owned by another person;
- 177 (vi) advertises or otherwise holds the individual out to be engaged in property
 178 management;
- 179 (vii) with the expectation of receiving valuable consideration, assists or directs in the
 180 procurement of prospects for or the negotiation of a transaction listed in
 181 Subsections [~~(29)(a)~~] (30)(b)(i) and [~~(v)~~] (b)(v);
- 182 (viii) except for a mortgage lender, title insurance producer, or an employee of a
 183 mortgage lender or title insurance producer, assists or directs in the closing of a
 184 real estate transaction with the expectation of receiving valuable consideration;
- 185 (ix) engages in foreclosure rescue; or
- 186 (x) advertises, offers, attempts, or otherwise holds the person out as being engaged in
 187 foreclosure rescue.

188 (31) "Principal property manager" means an individual who:

- 189 (a) is the primary contact for a property management company; and
 190 (b) holds a valid, active license under this chapter as:
 191 (i) a property manager; or
 192 (ii) a principal broker.

193 [~~(30)~~] (32)(a) "Property management" means the management of real estate owned by
 194 another person, with the expectation of receiving valuable consideration, or
 195 advertising or otherwise claiming to be engaged in the management of real estate
 196 owned by another person, by:

- 197 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or
 198 participating in a transaction calculated to secure the rental or leasing of real estate;

- 199 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real
 200 estate; or
- 201 (iii) signing a lease agreement or an addendum with a tenant.
- 202 (b) "Property management" does not include:
- 203 (i) hotel or motel management;
- 204 (ii) rental of tourist accommodations, including hotels, motels, tourist homes,
 205 condominiums, condominium hotels, mobile home park accommodations,
 206 campgrounds, or similar public accommodations for a period of less than 30
 207 consecutive days, and the management activities associated with these rentals; or
- 208 (iii) the leasing or management of surface or subsurface minerals or oil and gas
 209 interests, if the leasing or management is separate from a sale or lease of the
 210 surface estate.
- 211 (33) "Property management company" means an entity:
- 212 (a) that engages solely in property management;
- 213 (b) that is required to register with the division under this chapter; and
- 214 (c) is supervised by:
- 215 (i) a dual broker;
- 216 (ii) a principal broker; or
- 217 (iii) a principal property manager.
- 218 ~~[(31)]~~ (34) "Property manager" means an individual who:
- 219 (a) is licensed or required to be licensed as a property manager under this chapter; and
- 220 (b)(i) engages in property management; or
- 221 (ii) advertises or otherwise holds the individual out to be engaged in property
 222 management.
- 223 ~~[(32)]~~ (35) "Real estate" includes leaseholds and business opportunities involving real
 224 property.
- 225 ~~[(33)]~~ (36)(a) "Regular salaried employee" means an individual:
- 226 (i) who performs a service for wages or other remuneration; and
- 227 (ii) whose employer withholds federal employment taxes under a contract of hire,
 228 written or oral, express or implied.
- 229 (b) "Regular salaried employee" does not include an individual who performs services
 230 on a project-by-project basis or on a commission basis.
- 231 ~~[(34)]~~ (37) "Reinstatement" means the restoration of a license that has expired or has been
 232 suspended.

- 233 [(35)] (38) "Reissuance" means the process by which an individual may obtain a license
 234 following revocation of the license.
- 235 [(36)] (39) "Renewal" means the extension of a license for an additional licensing period on
 236 or before the [date] day on which the license expires.
- 237 [(37)] (40) "Reprimand" means a public discipline that declares the conduct of a person as
 238 improper and includes the name of the person.
- 239 (41) "Residential rental unit" means the same as that term is defined in Section 57-22-2.
- 240 [(38)] (42) "Sales agent" means an individual who is:
- 241 (a) affiliated with a principal broker, either as an independent contractor or an employee
 242 as provided in Section 61-2f-303, to perform for valuable consideration an act
 243 described in Subsection [(29)] (30); and
- 244 (b) licensed, or required to be licensed, under this chapter as a sales agent.
- 245 [(39)] (43) "Transaction" means, whether complete or incomplete:
- 246 (a) a purchase of real estate;
- 247 (b) a sale of real estate;
- 248 (c) an exchange of real estate;
- 249 (d) a lease of real estate;
- 250 (e) an auction of real estate;
- 251 (f) management of real estate;
- 252 (g) an option on real estate; or
- 253 (h) a business opportunity.
- 254 [(40)] (44) "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.
- 255 Section 2. Section **61-2f-103** is amended to read:
- 256 **61-2f-103 . Real Estate Commission.**
- 257 (1) There is created within the division a Real Estate Commission.
- 258 (2) The commission shall:
- 259 (a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3,
 260 Utah Administrative Rulemaking Act, make rules for the administration of this
 261 chapter that are [~~not inconsistent~~] consistent with this chapter, including:
- 262 (i) licensing of:
- 263 (A) a principal broker;
- 264 (B) an associate broker;
- 265 (C) a sales agent; [~~and~~]
- 266 (D) a dual broker; and

- 267 ~~(D)~~ (E) on or after July 1, 2026, a property manager;
- 268 (ii) registration of:
- 269 (A) an entity;
- 270 (B) ~~[an assumed name]~~ a D.B.A. under which a person conducts business;
- 271 (C) a branch office; and
- 272 (D) a property management company;
- 273 (iii) prelicensing and postlicensing education curricula;
- 274 (iv) examination procedures;
- 275 (v) the certification and conduct of:
- 276 (A) a real estate school;
- 277 (B) a course provider; or
- 278 (C) an instructor;
- 279 (vi) proper handling of money ~~[received by a licensee]~~ that a licensee receives under
- 280 this chapter;
- 281 (vii) brokerage office procedures and recordkeeping requirements;
- 282 (viii) property management;
- 283 (ix) standards of conduct for a licensee under this chapter;
- 284 (x) if the commission, with the concurrence of the division, determines necessary, a
- 285 rule as provided in Subsection 61-2f-306(3) regarding a legal form;
- 286 (xi) the qualification and designation of an acting principal broker in the event a
- 287 principal broker dies, is incapacitated, or is unable to perform the duties of a
- 288 principal broker, as described in Section 61-2f-202; and
- 289 (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real
- 290 property transaction;
- 291 (b) establish, with the concurrence of the division, a fee provided for in this chapter,
- 292 except a fee imposed under Part 5, Real Estate Education, Research, and Recovery
- 293 Fund Act;
- 294 (c) conduct an administrative hearing not delegated by the commission to an
- 295 administrative law judge or the division relating to the:
- 296 (i) licensing of an applicant;
- 297 (ii) conduct of a licensee;
- 298 (iii) the certification or conduct of a real estate school, course provider, or instructor
- 299 regulated under this chapter; or
- 300 (iv) violation of this chapter by any person;

- 301 (d) with the concurrence of the director, impose a sanction as provided in Section
302 61-2f-404;
- 303 (e) advise the director on the administration and enforcement of a matter affecting the
304 division and the real estate sales and property management industries;
- 305 (f) advise the director on matters affecting the division budget;
- 306 (g) advise and assist the director in conducting real estate seminars; and
- 307 (h) perform other duties as provided by this chapter.
- 308 (3)(a) Except as provided in Subsection (3)(b), a state entity may not, without the
309 concurrence of the commission, make a rule that changes the rights, duties, or
310 obligations of buyers, sellers, or persons licensed under this chapter in relation to a
311 real estate transaction between private parties.
- 312 (b) Subsection (3)(a) does not apply to a rule made:
- 313 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or
- 314 (ii) by the Department of Commerce or any division or other rulemaking body within
315 the Department of Commerce.
- 316 (4)(a) The commission consists of five members ~~[appointed by]~~ that the governor
317 appoints and ~~[approved by]~~ the Senate approves in accordance with Title 63G,
318 Chapter 24, Part 2, Vacancies.
- 319 (b) Four of the commission members shall:
- 320 (i) have at least five years' experience in the real estate business; and
- 321 (ii) hold an active principal broker, associate broker, or sales agent license.
- 322 (c) One commission member shall be a member of the general public.
- 323 (d) The governor may not appoint a commission member described in Subsection (4)(b)
324 who, at the time of appointment, resides in the same county in the state as another
325 commission member.
- 326 (e) At least one commission member described in Subsection (4)(b) shall at the time of
327 an appointment reside in a county that is not a county of the first or second class.
- 328 (5)(a) Except as required by Subsection (5)(b), as terms of current commission members
329 expire, the governor shall appoint each new member or reappointed member to a
330 four-year term ending June 30.
- 331 (b) The governor shall, at the time of appointment or reappointment, adjust the length of
332 terms to ensure that the terms of commission members are staggered so that
333 approximately half of the commission is appointed every two years.
- 334 (c) Upon the expiration of the term of a member of the commission, the member of the

335 commission shall continue to hold office until a successor is appointed and qualified.

336 (d) A commission member may not serve more than two consecutive terms.

337 (e) Members of the commission shall annually select one member to serve as chair.

338 (6) When a vacancy occurs in the membership for any reason, the governor, with the advice
339 and consent of the Senate, shall appoint a replacement for the unexpired term.

340 (7) A member may not receive compensation or benefits for the member's service, but may
341 receive per diem and travel expenses in accordance with:

342 (a) Section 63A-3-106;

343 (b) Section 63A-3-107; and

344 (c) rules ~~[made by]~~ the Division of Finance ~~[pursuant to]~~ makes in accordance with
345 Sections 63A-3-106 and 63A-3-107.

346 (8)(a) The commission shall meet at least monthly.

347 (b) The director may call additional meetings:

348 (i) at the director's discretion;

349 (ii) upon the request of the chair; or

350 (iii) upon the written request of three or more commission members.

351 (9) Three members of the commission constitute a quorum for the transaction of business.

352 (10) A member of the commission shall comply with the conflict of interest provisions
353 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

354 Section 3. Section **61-2f-201** is amended to read:

355 **61-2f-201 . License required -- Scope of license.**

356 (1) Unless a person is licensed under this chapter, it is unlawful for the person to do the
357 following with respect to real estate located in this state:

358 (a) engage in the business of a principal broker, associate broker, or sales agent;

359 (b) act in the capacity of a principal broker, associate broker, or sales agent;

360 (c) advertise or assume to act as a principal broker, associate broker, or a sales agent; or

361 (d) on or after January 1, 2027, engage in property management.

362 (2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a
363 principal broker, associate broker, or a sales agent if the individual performs, offers to
364 perform, or attempts to perform one act for valuable consideration of:

365 (a) buying, selling, or exchanging real estate for another person; or

366 (b) offering for another person to buy, sell, or exchange real estate.

367 (3) Except as provided in Section 61-2f-202.5, unless an individual is licensed as a
368 principal broker, associate broker, sales agent, dual broker, or property manager, an

- 369 individual may not, for consideration:
- 370 (a) engage in property management; or
- 371 (b) offer to engage in property management on behalf of another person.
- 372 (4) An individual licensed as a property manager under this chapter:
- 373 (a) may do the following for one or more residential rental units:
- 374 (i) engage in property management;
- 375 (ii) offer to engage in property management on behalf of another person; or
- 376 (iii) advertise or otherwise hold the individual out to be engaged in property
- 377 management; and
- 378 (b) may not engage in an activity listed in Subsection (4)(a) in relation to real estate
- 379 other than a residential rental unit.

380 Section 4. Section **61-2f-202** is amended to read:

381 **61-2f-202 . Exempt persons and transactions.**

- 382 (1) As used in this section, "owner" does not include:
- 383 (a) a person that holds an option to purchase real property;
- 384 (b) a mortgagee;
- 385 (c) a beneficiary under a deed of trust;
- 386 (d) a trustee under a deed of trust; or
- 387 (e) a person that owns or holds a claim that encumbers any real property or an
- 388 improvement to the real property.
- 389 ~~[(1)]~~ (2)(a) Except as provided in Subsection ~~[(1)(b)]~~ (2)(b), a license under this chapter is
- 390 not required for:
- 391 (i) a person who as owner or lessor performs an act described in Subsection [
- 392 ~~61-2f-102(29)]~~ 61-2f-102(30) with reference to real estate owned or leased by that
- 393 person;
- 394 (ii) a regular salaried employee of the owner or lessor of real estate who, with
- 395 reference to nonresidential real estate owned or leased by the employer, performs
- 396 an act described in Subsection ~~[61-2f-102(29)(b)(ii)]~~ 61-2f-102(30)(b)(ii) or (iii);
- 397 (iii) a regular salaried employee of the owner of real estate who performs property
- 398 management services with reference to real estate owned by the employer, except
- 399 that the employee may only manage real estate for one employer;
- 400 (iv) an individual who performs property management services for the apartments at
- 401 which that individual resides in exchange for free or reduced rent on that
- 402 individual's apartment;

- 403 (v) a regular salaried employee of a common interest association who manages real
 404 estate subject to the declaration covenants, conditions, and restrictions that
 405 established the common interest association;
- 406 (vi) a regular salaried employee of a licensed property management company or real
 407 estate brokerage who performs support services, as prescribed by rule, for the
 408 property management company or real estate brokerage; or
- 409 (vii) in the event a principal broker dies, is incapacitated, or is unable to perform the
 410 duties of a principal broker, an individual qualified and designated as the
 411 commission determines by rule made in accordance with Title 63G, Chapter 3,
 412 Utah Administrative Rulemaking Act, with the concurrence of the division, as an
 413 acting principal broker:
- 414 (A) in relation to each transaction pending on the day on which the principal
 415 broker dies, becomes incapacitated, or becomes unable to perform the duties of
 416 a principal broker, including the distribution of compensation for each
 417 transaction; and
- 418 (B) until the day on which each transaction described in Subsection [~~(1)(a)(vii)(A)~~]
 419 (2)(a)(vii)(A) is completed.
- 420 (b) Subsection [~~(1)(a)~~] (2)(a) does not exempt from licensing:
- 421 (i) an employee engaged in the sale of real estate regulated under:
- 422 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or
- 423 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 424 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57,
 425 Chapter 23, Real Estate Cooperative Marketing Act; or
- 426 (iii) an individual whose interest as an owner or lessor is obtained by that individual
 427 or transferred to that individual for the purpose of evading the application of this
 428 chapter, and not for another legitimate business reason.
- 429 [~~(2)~~] (3) A license under this chapter is not required for:
- 430 (a) an isolated transaction or service by an individual holding an unsolicited, duly
 431 executed power of attorney from a property owner;
- 432 (b) subject to Subsection 61-2f-401(5), services rendered by an attorney admitted to
 433 practice law in this state in performing the attorney's duties as an attorney;
- 434 (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting
 435 under order of a court;
- 436 (d) a trustee or employee of a trustee under a deed of trust or a will;

- 437 (e) a public utility, officer of a public utility, or regular salaried employee of a public
 438 utility, unless performance of an act described in Subsection [~~61-2f-102(29)~~]
 439 61-2f-102(30) is in connection with the sale, purchase, lease, or other disposition of
 440 real estate or investment in real estate unrelated to the principal business activity of
 441 that public utility;
- 442 (f) a regular salaried employee or authorized agent working under the oversight of the
 443 Department of Transportation when performing an act on behalf of the Department of
 444 Transportation in connection with one or more of the following:
- 445 (i) the acquisition of real estate [~~pursuant to~~] in accordance with Section 72-5-103;
 446 (ii) the disposal of real estate [~~pursuant to~~] in accordance with Section 72-5-111;
 447 (iii) services that constitute property management; or
 448 (iv) the leasing of real estate; and
- 449 (g) a regular salaried employee of a county, city, or town when performing an act on
 450 behalf of the county, city, or town:
- 451 (i) in accordance with:
- 452 (A) if a regular salaried employee of a city or town:
- 453 (I) Title 10, Utah Municipal Code; or
 454 (II) Title 11, Cities, Counties, and Local Taxing Units; and
- 455 (B) if a regular salaried employee of a county:
- 456 (I) Title 11, Cities, Counties, and Local Taxing Units; and
 457 (II) Title 17, Counties; and
- 458 (ii) in connection with one or more of the following:
- 459 (A) the acquisition of real estate, including by eminent domain;
 460 (B) the disposal of real estate;
 461 (C) services that constitute property management; or
 462 (D) the leasing of real estate.
- 463 [~~(3)~~] (4) A license under this chapter is not required for an individual registered to act as a
 464 broker-dealer, agent, or investment adviser under the Utah and federal securities laws in
 465 the sale or the offer for sale of real estate if:
- 466 (a)(i) the real estate is a necessary element of a "security" as that term is defined by
 467 the Securities Act of 1933 and the Securities Exchange Act of 1934; and
 468 (ii) the security is registered for sale in accordance with:
- 469 (A) the Securities Act of 1933; or
 470 (B) Title 61, Chapter 1, Utah Uniform Securities Act; or

471 (b)(i) ~~[it]~~ the sale or offer for sale of real estate is a transaction in a security for which
 472 a Form D, described in 17 C.F.R. Sec. 239.500, has been filed with the Securities
 473 and Exchange Commission ~~[pursuant to]~~ in accordance with Regulation D, Rule
 474 506, 17 C.F.R. Sec. 230.506; and

475 (ii) the selling agent and the purchaser are not residents of this state.

476 ~~[(4)]~~ (5) Except as otherwise provided by statute or rule, the following individuals may
 477 engage in the practice of an occupation or profession regulated by this chapter, subject
 478 to the stated circumstances and limitations, without being licensed under this chapter:

479 (a) an individual licensed under the laws of this state, other than under this chapter, to
 480 practice or engage in an occupation or profession, while engaged in the lawful,
 481 professional, and competent practice of that occupation or profession;

482 (b) an individual serving in the armed forces of the United States, the United States
 483 Public Health Service, the United States Department of Veterans Affairs, or any other
 484 federal agency while engaged in activities regulated under this title as a part of
 485 employment with that federal agency if the individual holds a valid license to practice
 486 the regulated occupation or profession issued by any other state or jurisdiction
 487 recognized by the department; and

488 (c) the spouse of an individual serving in the armed forces of the United States or the
 489 spouse of a DOD civilian while the individual or DOD civilian is stationed within
 490 this state, if:

491 (i) the spouse holds a valid license to practice the regulated occupation or profession
 492 issued by any other state or jurisdiction recognized by the department; and

493 (ii) the license is current and the spouse is in good standing in the state or jurisdiction
 494 of licensure.

495 ~~[(5) As used in this section, "owner" does not include:]~~

496 ~~[(a) a person who holds an option to purchase real property;]~~

497 ~~[(b) a mortgagee;]~~

498 ~~[(e) a beneficiary under a deed of trust;]~~

499 ~~[(d) a trustee under a deed of trust; or]~~

500 ~~[(e) a person who owns or holds a claim that encumbers any real property or an~~
 501 ~~improvement to the real property.]~~

502 (6) The commission, with the concurrence of the division, may provide, by rule made in
 503 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 504 circumstances under which a person or transaction qualifies for an exemption that is

505 described in this section.

506 Section 5. Section **61-2f-202.5** is amended to read:

507 **61-2f-202.5 . Exempt individuals and transactions involving property**
508 **management.**

509 A license under this chapter is not required for:

- 510 (1) an individual who, as an owner or lessor, performs an act described in Subsection [
511 ~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection to real estate owned or leased by that
512 individual;
- 513 (2) an individual who is part of a property owner's immediate family, if the individual
514 performs an act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection
515 to real estate [~~owned by~~] that the property owner owns;
- 516 (3) an unlicensed or remote assistant of a property manager;
- 517 (4) an individual who exclusively performs the following tasks:
- 518 (a) maintenance and repairs on real property; or
- 519 (b) bookkeeping and accounting; or
- 520 (5) a regional manager or a corporate official of a rental agency who does not engage in an
521 act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a).

522 Section 6. Section **61-2f-203** is amended to read:

523 **61-2f-203 . Licensing requirements.**

- 524 (1)(a)(i) The division shall determine whether an applicant with a criminal history
525 qualifies for licensure.
- 526 (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or
527 places a license on probation, the applicant may petition the commission for de
528 novo review of the application.
- 529 (b) Except as provided in Subsection (6), the commission shall determine all other
530 qualifications and requirements of an applicant for:
- 531 (i) a principal broker license;
- 532 (ii) an associate broker license;
- 533 (iii) a sales agent license; or
- 534 (iv) on or after [~~July 1, 2026~~] January 1, 2027, a property manager license.
- 535 (c) The division, with the concurrence of the commission, shall require and pass upon
536 proof necessary to determine the honesty, integrity, truthfulness, reputation, and
537 competency of each applicant for an initial license or for renewal of an existing
538 license.

539 (d)(i)(A) Except as provided in Subsection (1)(d)(i)(B), the division, with the
540 concurrence of the commission, shall require an applicant for a sales agent
541 license to complete a division-approved educational program consisting of not
542 less than 120 hours, as designated by rule the commission makes in accordance
543 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the
544 concurrence of the division.

545 (B) If on the day on which an applicant for a sales agent license applies for the
546 license the applicant is licensed as a real estate sales agent in another state, the
547 division may require the applicant to complete a division-approved,
548 state-specific educational program consisting of the number of hours
549 designated by rule the commission makes in accordance with Title 63G,
550 Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the
551 division.

552 (ii)(A) Except as provided in Subsection (1)(d)(ii)(B), the division, with the
553 concurrence of the commission, shall require an applicant for an associate
554 broker or a principal broker license to complete a division-approved
555 educational program consisting of not less than 120 hours, as designated by
556 rule the commission makes in accordance with Title 63G, Chapter 3, Utah
557 Administrative Rulemaking Act, with the concurrence of the division.

558 (B) If on the day on which an applicant for an associate broker or a principal
559 broker license applies for the license the applicant is licensed as a real estate
560 broker in another state, the division may require the applicant to complete a
561 division-approved, state-specific educational program consisting of the number
562 of hours designated by rule the commission makes in accordance with Title
563 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of
564 the division.

565 (iii)(A) On or after July 1, 2026, except as provided in Subsection (1)(d)(iii)(B),
566 the division shall require that an applicant for a property manager license
567 complete the educational program described in Subsection (1)(d)(iv).

568 (B) On or after July 1, 2026, if on the day on which an applicant for a property
569 manager license applies for the license, the applicant is licensed as a property
570 manager in another state, the division may require the applicant to complete a
571 division-approved, state-specific educational program consisting of the number
572 of hours designated by rule the commission makes in accordance with Title

573 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of
574 the division.

575 (iv) The division shall create an educational program for a property manager license
576 that:

577 (A) requires at least 24 hours of training;

578 (B) covers subjects the division determines necessary for the program; and

579 (C) establishes the proportion of hours allocated for each subject in the program.

580 (v) An hour required by this section means 50 minutes of instruction in each 60
581 minutes.

582 (vi) The maximum number of program hours available to an individual is eight hours
583 per day.

584 (e)(i) Except as provided in Subsection (1)(e)(ii), the division, with the concurrence
585 of the commission, shall require an applicant to pass an examination approved by
586 the commission covering:

587 (A) the fundamentals of the English language;

588 (B) the fundamentals of arithmetic;

589 (C) the fundamentals of bookkeeping;

590 (D) the fundamentals of real estate principles and practices;

591 (E) this chapter;

592 (F) the rules established by the commission with the concurrence of the division;

593 and

594 (G) any other aspect of Utah real estate license law considered appropriate.

595 (ii) If on the day on which an applicant applies for a license the applicant is licensed
596 as a real estate broker or a sales agent in another state, the division may, with the
597 concurrence of the commission, require the applicant to pass a division-approved,
598 state-specific examination rather than the examination required under Subsection
599 (1)(e)(i).

600 (iii) Subject to Subsection (1)(e)(iv), the division, with the concurrence of the
601 commission, may modify the length and material of an examination for a property
602 manager license under this chapter if:

603 (A) an applicant is licensed as a property manager in another state;

604 (B) the division determines an applicant's prior experience warrants a modification
605 of the examination; or

606 (C) the division determines the applicant has good cause for the modification of

- 607 the examination.
- 608 (iv) On or after July 1, 2026, an examination for a property manager license shall:
- 609 (A) cover the topics that appear in the educational program described in
- 610 Subsection (1)(d)(iv); and
- 611 (B) match the proportion of questions for each topic to the proportion of hours
- 612 designated by the division in accordance with Subsection (1)(d)(iv)(C).
- 613 (f)(i) Three years' full-time experience as a sales agent or the equivalent is required
- 614 before an applicant may apply for, and secure a principal broker or associate
- 615 broker license in this state.
- 616 (ii) The commission shall establish by rule made in accordance with Title 63G,
- 617 Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the
- 618 division, the criteria by which the commission will accept experience or special
- 619 education in similar fields of business in lieu of the three years' experience.
- 620 (2)(a) The division, with the concurrence of the commission, may require an applicant to
- 621 furnish a sworn statement setting forth evidence satisfactory to the division of the
- 622 applicant's reputation and competency as set forth by rule.
- 623 (b) The division shall require an applicant to provide the applicant's social security
- 624 number, which is a private record under Subsection 63G-2-302(1)(i).
- 625 (3)(a) An individual who is not a resident of this state may be licensed in this state if the
- 626 individual complies with this chapter.
- 627 (b) An individual who is not a resident of this state may be licensed as an associate
- 628 broker or sales agent in this state by:
- 629 (i) complying with this chapter; and
- 630 (ii) being employed or engaged as an independent contractor by or on behalf of a
- 631 principal broker who is licensed in this state, regardless of whether the principal
- 632 broker is a resident of this state.
- 633 (4) The division, with the concurrence of the commission, may enter into a reciprocal
- 634 licensing agreement with another jurisdiction for the licensure of a principal broker, an
- 635 associate broker, or a sales agent, if the jurisdiction's requirements and standards for the
- 636 license are substantially similar to those of this state.
- 637 (5)(a) The division and commission shall treat an application to be relicensed of an
- 638 applicant whose real estate license is revoked as an original application.
- 639 (b) In the case of an applicant for a new license as a principal broker or associate broker,
- 640 the applicant is not entitled to credit for experience gained before the revocation of a

- 641 real estate license.
- 642 (6)(a) Notwithstanding Subsection (1)(b), the commission may delegate to the division
643 the authority to:
- 644 (i) review a class or category of applications for initial or renewed licenses;
645 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
646 (iii) approve or deny a license application without concurrence by the commission.
- 647 (b)(i) If the commission delegates to the division the authority to approve or deny an
648 application without concurrence by the commission and the division denies an
649 application for licensure, the applicant who is denied licensure may petition the
650 commission for de novo review of the application.
- 651 (ii) An applicant who is denied licensure pursuant to this Subsection (6) may seek
652 agency review by the executive director only after the commission has reviewed
653 the division's denial of the applicant's application.
- 654 (7) On or after July 1, 2026, an individual with an active broker, associate broker, or sales
655 agent license may obtain a property manager license without:
- 656 (a) meeting the education requirement described in Subsection (1)(d)(iii); or
657 (b) passing an exam required for a property manager license under Subsection (1)(e).
- 658 Section 7. Section **61-2f-204** is amended to read:
- 659 **61-2f-204 . Licensing fees and procedures -- Renewal fees and procedures.**
- 660 (1)(a) Upon filing an application for an examination for a license under this chapter, the
661 applicant shall pay a nonrefundable fee established in accordance with Section
662 63J-1-504 for admission to the examination.
- 663 (b) An applicant for a principal broker, associate broker, sales agent, or property
664 manager license shall pay a nonrefundable fee as determined by the commission with
665 the concurrence of the division under Section 63J-1-504 for issuance of an initial
666 license or license renewal.
- 667 (c) The division shall issue a license under this Subsection (1) for a period of not less
668 than two years as the division determines with the concurrence of the commission.
- 669 (d)(i) Each of the following applicants shall comply with this Subsection (1)(d):
- 670 (A) a new sales agent applicant;
671 (B) a principal broker applicant;
672 (C) an associate broker applicant; and
673 (D) on or after January 1, 2027, a property manager applicant.
- 674 (ii) An applicant described in this Subsection (1)(d) shall at the time the applicant

- 675 files an application:
- 676 (A) submit to the division fingerprint cards in a form acceptable to the Department
677 of Public Safety;
- 678 (B) submit to the division a signed waiver in accordance with Subsection
679 53-10-108(4), acknowledging the registration of the applicant's fingerprints in
680 the Federal Bureau of Investigation Next Generation Identification System's
681 Rap Back Service;
- 682 (C) consent to a criminal background check by the Utah Bureau of Criminal
683 Identification and the Federal Bureau of Investigation; and
- 684 (D) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 685 (iii) The Bureau of Criminal Identification shall:
- 686 (A) check the fingerprints an applicant submits under Subsection (1)(d)(ii) against
687 the applicable state, regional, and national criminal records databases,
688 including the Federal Bureau of Investigation Next Generation Identification
689 System;
- 690 (B) report the results of the background check to the division;
- 691 (C) maintain a separate file of fingerprints that applicants submit under Subsection
692 (1)(d) for search by future submissions to the local and regional criminal
693 records databases, including latent prints;
- 694 (D) request that the fingerprints be retained in the Federal Bureau of Investigation
695 Next Generation Identification System's Rap Back Service for search by future
696 submissions to national criminal records databases, including the Next
697 Generation Identification System and latent prints; and
- 698 (E) ensure that the division only receives notifications for an individual with
699 whom the division maintains permission to receive notifications.
- 700 (iv)(A) The division shall assess an applicant who submits fingerprints under this
701 Subsection (1)(d) or (2)(f) a fee in an amount that the division sets in
702 accordance with Section 63J-1-504 for services that the division and the
703 Bureau of Criminal Identification or another authorized agency provide under
704 this Subsection (1)(d) or (2)(f).
- 705 (B) The Bureau of Criminal Identification may collect from the division money
706 for services provided under this section.
- 707 (v) Money paid to the division by an applicant for the cost of the criminal
708 background check is nonlapsing.

- 709 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
710 and with the concurrence of the division, the commission may make rules for the
711 administration of this Subsection (1)(d) and Subsection (2)(f) regarding criminal
712 background checks with ongoing monitoring.
- 713 (e)(i) A license issued under Subsection (1)(d) is conditional, pending completion of
714 the criminal background check.
- 715 (ii) If a criminal background check discloses that an applicant fails to accurately
716 disclose a criminal history, the division:
717 (A) shall review the application; and
718 (B) in accordance with rules made by the division pursuant to Title 63G, Chapter
719 3, Utah Administrative Rulemaking Act, may:
720 (I) place a condition on a license;
721 (II) place a restriction on a license;
722 (III) revoke a license; or
723 (IV) refer the application to the commission for a decision.
- 724 (iii)(A) An individual whose conditional license is conditioned, restricted, or
725 revoked under Subsection (1)(e)(ii) may have a hearing after the action is taken
726 to challenge the action.
727 (B) The division shall conduct a hearing described in Subsection (1)(e)(iii)(A) in
728 accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 729 (iv) The director shall designate one of the following to act as the presiding officer in
730 a hearing described in Subsection (1)(e)(iii)(A):
731 (A) the division; or
732 (B) the division with the concurrence of the commission.
- 733 (v) The presiding officer shall decide whether to grant relief from an action under this
734 Subsection (1)(e).
- 735 (vi) If a license is revoked or a revocation under this Subsection (1)(e) is upheld after
736 a hearing, the individual may not apply for a new license until at least 12 months
737 after the day on which the license is revoked.
- 738 (2)(a)(i) A license expires if the license is not renewed on or before the expiration
739 date of the license.
- 740 (ii) As a condition of renewal, an active licensee shall demonstrate competence by
741 completing 18 hours of continuing education within a two-year renewal period
742 subject to rules made by the commission, with the concurrence of the division.

- 743 (iii) In making a rule described in Subsection (2)(c)(ii), the division and commission
744 shall consider:
- 745 (A) evaluating continuing education based on competency, rather than course time;
746 (B) allowing completion of courses in a significant variety of topic areas that the
747 division and commission determine are valuable in assisting an individual
748 licensed under this chapter to increase the individual's competency; and
749 (C) allowing completion of courses that will increase a licensee's professional
750 competency in the area of practice of the licensee.
- 751 (iv) The division may award credit to a licensee for a continuing education
752 requirement of this Subsection (2)(a) for a reasonable time period upon a finding
753 of reasonable cause, including:
- 754 (A) military service; or
755 (B) if an individual is elected or appointed to government service, the individual's
756 government service during which the individual spends a substantial time
757 addressing real estate issues subject to conditions established by rule made in
758 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 759 (b) For a period of 30 days after the day on which a license expires, the division may
760 reinstate the license:
- 761 (i) if the applicant's license was inactive on the day on which the applicant's license
762 expired, upon payment of a renewal fee and a late fee determined by the
763 commission with the concurrence of the division under Section 63J-1-504; or
764 (ii) if the applicant's license was active on the day on which the applicant's license
765 expired, upon payment of a renewal fee and a late fee determined by the
766 commission with the concurrence of the division under Section 63J-1-504, and
767 providing proof acceptable to the division and the commission of the licensee
768 having:
- 769 (A) completed the hours of education required by Subsection (2)(a); or
770 (B) demonstrated competence as required under Subsection (2)(a).
- 771 (c) After the 30-day period described in Subsection (2)(b), and until one year after the
772 day on which an active or inactive license expires, the division may reinstate the
773 license if the applicant:
- 774 (i) pays a renewal fee and a late fee determined by the commission with the
775 concurrence of the division under Section 63J-1-504; and
776 (ii) provides proof acceptable to the division and the commission of the licensee

- 777 having:
- 778 (A) completed the hours of education required by Subsection (2)(a); or
- 779 (B) demonstrated competence as required under Subsection (2)(a).
- 780 (d) The division shall relicense an individual who does not renew that individual's
- 781 license within one year as prescribed for an original application.
- 782 (e) Notwithstanding Subsection (2)(a), the division may extend the term of a license that
- 783 would expire under Subsection (2)(a) except for the extension if:
- 784 (i)(A) the individual complies with the requirements of this section to renew the
- 785 license; and
- 786 (B) the renewal application remains pending at the time of the extension; or
- 787 (ii) at the time of the extension, there is pending a disciplinary action under this
- 788 chapter.
- 789 (f) Each applicant for renewal or reinstatement of a license to practice as a sales agent,
- 790 principal broker, associate broker, or a property manager, who is not already subject
- 791 to ongoing monitoring of the individual's criminal history shall, at the time the
- 792 application for renewal or reinstatement is filed:
- 793 (i) submit fingerprint cards in a form acceptable to the Department of Public Safety;
- 794 (ii) submit to the division a signed waiver in accordance with Subsection
- 795 53-10-108(4), acknowledging the registration of the applicant's fingerprints in the
- 796 Federal Bureau of Investigation Next Generation Identification System's Rap
- 797 Back Service;
- 798 (iii) consent to a fingerprint background check by the Utah Bureau of Criminal
- 799 Identification and the Federal Bureau of Investigation; and
- 800 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 801 (3)(a) As a condition for the activation of an inactive license that was in an inactive
- 802 status at the time of the licensee's most recent renewal, the licensee shall supply the
- 803 division with proof of:
- 804 (i) successful completion of the respective sales agent or principal broker licensing
- 805 examination within six months before the day on which the licensee applies to
- 806 activate the license; or
- 807 (ii) the successful completion of the hours of continuing education that the licensee
- 808 would have been required to complete under Subsection (2)(a) if the license had
- 809 been on active status at the time of the licensee's most recent renewal.
- 810 (b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative

- 811 Rulemaking Act, subject to concurrence by the division, establish by rule:
- 812 (i) the nature or type of continuing education required for reactivation of a license;
- 813 and
- 814 (ii) how long before reactivation the continuing education must be completed.

815 Section 8. Section **61-2f-302** is amended to read:

816 **61-2f-302 . Affiliation with a principal broker.**

- 817 (1) An individual who is not a principal broker may not engage in an act described in
- 818 Section 61-2f-201 unless the individual is affiliated with a principal broker as:
- 819 (a) an associate broker; or
- 820 (b) a sales agent.
- 821 (2)(a) An inactive associate broker or sales agent may not conduct a real estate
- 822 transaction until the inactive associate broker or sales agent becomes affiliated with a
- 823 principal broker and submits the required documentation to the division.
- 824 (b) An inactive principal broker may not conduct a real estate transaction until the
- 825 principal broker's license is activated with the division.
- 826 (3) A sales agent or associate broker may not affiliate with more than one principal broker
- 827 at the same time.
- 828 (4) An individual may not be a principal broker of an entity and a sales agent or associate
- 829 broker for a different entity at the same time.
- 830 (5) An owner, purchaser, lessor, or lessee who engages the services of a principal broker
- 831 may designate which sales agents or associate brokers affiliated with that principal
- 832 broker will also represent that owner, purchaser, lessor, or lessee in the purchase, sale,
- 833 lease, or exchange of real estate, or in exercising an option relating to real estate.
- 834 (6) Subject to Subsection (8), an individual licensed as a property manager under this
- 835 chapter and is engaged, whether as an employee or an independent contractor, to
- 836 perform real estate-related services by or on behalf of a principal broker, associate
- 837 broker, or sales agent, shall affiliate with a principal broker before:
- 838 (a) engaging in property management;
- 839 (b) offering to engage in property management on behalf of another person; or
- 840 (c) advertising or otherwise holding the individual out to be engaged in property
- 841 management.
- 842 (7) An individual described in Subsection (6) shall affiliate the individual's property
- 843 manager license with:
- 844 (a) the same principal broker with whom the associate broker or sales agent for whom

- 845 the property manager performs real estate-related services is affiliated; or
 846 (b) the person that the individual's employer or the person with whom the individual
 847 contracts is affiliated.
- 848 (8) An individual is not required to affiliate with a principal broker if:
 849 (a) the individual is licensed as a property manager under this chapter; and
 850 (b)(i) is not subject to the affiliation requirements described in Subsection (6);
 851 (ii) is employed by a property management company that managed at least 750
 852 residential rental units in this state in any of the three previous calendar years; or
 853 (iii) is employed by a housing authority, as that term is defined in Section 35A-8-401.

854 Section 9. Section **61-2f-309** is amended to read:

855 **61-2f-309 . Record requirements.**

856 [~~(1) A brokerage shall make or possess any applicable record required for the brokerage to~~
 857 ~~maintain by rule made by the commission pursuant to Section 61-2f-103 for the time~~
 858 ~~period specified in Subsection (2).]~~

858a
 859 A brokerage and a property manager described in Subsection 61-2f-302(8) shall:

- 860 (1) maintain and safeguard the following records to the extent the records relate to the
 861 business of a principal broker:
- 862 (a) trust account records, including the monthly reconciliation of the trust account;
 863 (b) each document that a licensee affiliated with the principal broker submits to a lender
 864 or underwriter as part of a real estate transaction;
 865 (c) each document the parties to a transaction jointly execute, if the principal broker or
 866 an affiliated licensee is required to have an agency agreement; and
 867 (d) each document that a licensee, over whom the principal broker has supervisory
 868 responsibility in accordance with Subsection (1)(c), executes;
- 869 (2) maintain the records identified in Subsection (1):
- 870 (a)(i) physically:
- 871 (A) at the principal business location that the principal broker designates on
 872 division records; or
- 873 (B) where applicable, at a branch office that the principal broker designates on
 874 division records; or
- 875 (ii) electronically, in a storage system that complies with Title 46, Chapter 4,
 876 Uniform Electronic Transactions Act; and
- 877 (b) for at least three calendar years after the year in which:

- 878 (i) an offer is rejected;
- 879 (ii) a transaction either closes or fails;
- 880 (iii) in a lease transaction, a lease agreement commences; or
- 881 (iv) the term of a property management agreement ends;
- 882 (3) upon request of the division, make a record identified in Subsection (1) available for
- 883 inspection and copying by the division;
- 884 (4) notify the division, in writing within ten business days after the day on which the
- 885 brokerage terminates business operations, of where the brokerage will maintain business
- 886 records; and
- 887 (5) upon filing for brokerage bankruptcy, notify the division, in writing, of:
- 888 (a) the brokerage bankruptcy filing; and
- 889 (b) the current location of each record identified in Subsection (1).
- 890 ~~[(2) A brokerage shall maintain and safeguard in the brokerage's possession a record~~
- 891 ~~described in Subsection (1) for three years following:]~~
- 892 ~~[(a) the day the transaction either closes or fails;]~~
- 893 ~~[(b) in a lease transaction, the day of the commencement of the lease;]~~
- 894 ~~[(c) the day an offer is rejected; or]~~
- 895 ~~[(d) the end of the term of a property management agreement.]~~
- 896 Section 10. Section **61-2f-402** is amended to read:
- 897 **61-2f-402 . Investigations -- Disciplinary actions.**
- 898 (1)(a) The division may conduct a public or private investigation within or outside of
- 899 this state as the division considers necessary to determine whether a person has
- 900 violated, is violating, or is about to violate this chapter or any rule or order under this
- 901 chapter.
- 902 (b) If a person makes a report that the person suspects or knows that a person has
- 903 violated, is violating, or will violate this chapter or a rule or order issued in
- 904 accordance with this chapter, the person shall make a report only to the division in a
- 905 form the division approves.
- 906 (c) Except for an action initiated in a court with jurisdiction, the division has exclusive
- 907 jurisdiction to investigate and enforce a violation or an alleged violation of this
- 908 chapter.
- 909 (2) To aid in the enforcement of this chapter or in the prescribing of rules and forms under
- 910 this chapter, the division may require or permit a person to file a statement in writing,
- 911 under oath or otherwise as to the facts and circumstances concerning the matter to be

- 912 investigated.
- 913 (3)(a) For the purpose of the investigation described in Subsection (1), the division or an
914 employee [~~designated by~~] that the division designates may:
- 915 (i) administer an oath or affirmation;
- 916 (ii) issue a subpoena that requires:
- 917 (A) the attendance and testimony of a witness; or
- 918 (B) the production of evidence;
- 919 (iii) take evidence;
- 920 (iv) require the production of a book, paper, contract, record, other document, or
921 information relevant to the investigation; and
- 922 (v) serve a subpoena by certified mail.
- 923 (b) The division may not require the production of evidence, book, paper, contract,
924 record, other document, or information required to be kept by a brokerage, or
925 licensee [~~pursuant to~~] in accordance with Section 61-2f-309 after the expiration of the
926 time in which the brokerage is required to maintain and safeguard the record as
927 described in Section 61-2f-309.
- 928 (4)(a) A court [~~of competent~~] with jurisdiction shall enforce, according to the practice
929 and procedure of the court, a subpoena [~~issued by~~] that the division issues.
- 930 (b) The division shall pay any witness fee, travel expense, mileage, or any other fee
931 required by the service statutes of the state where the witness or evidence is located.
- 932 (5)(a) Except as provided in Subsections (5)(b) and (c), the division shall commence an
933 adjudicative proceeding under this chapter no later than the earlier of the following:
- 934 (i) two years after the day on which the violation is reported to the division; or
- 935 (ii) the [~~date~~] day on which the brokerage is no longer required to keep and maintain
936 the records as provided in Section 61-2f-309.
- 937 (b) The division may commence an adjudicative proceeding under this chapter after the
938 time period described in Subsection (5)(a) expires if:
- 939 (i)(A) the adjudicative proceeding is in response to a civil or criminal judgment or
940 settlement; and
- 941 (B) the division commences an adjudicative proceeding no later than one year
942 after the day on which the judgment is issued or the settlement is final; or
- 943 (ii) the division and the person subject to an adjudicative proceeding enter into a
944 written stipulation to extend the time period described in Subsection (5)(a).
- 945 (c) The time period described in Subsection (5)(a) is tolled during the division's

- 946 enforcement of a subpoena under Subsection (4), including any resulting appeals.
- 947 (6)(a) The division may publish notices of admonition, reprimand, suspension,
- 948 revocation, and surrender with discipline pending in the division newsletter.
- 949 (b) Nothing in this Subsection (6) [~~shall be construed to restrict~~] restricts the division's
- 950 publication of information, including orders, irrespective of [~~their~~] the information's
- 951 style or format, on the division's website.
- 952 (c) Nothing in this Subsection (6) [~~shall be construed to restrict~~] restricts the division's
- 953 publication of information as required by Title 52, Chapter 4, Open and Public
- 954 Meetings Act.

955 Section 11. Section **61-2f-411** is amended to read:

956 **61-2f-411 . Enforcement related to a property manager -- Maintenance of client**

957 **funds.**

- 958 (1) Nothing in this section applies to an individual:
- 959 (a) buying, selling, or exchanging real estate for another person; or
- 960 (b) offering to buy, sell, or exchange real estate for another person.
- 961 (2) When engaging in property management, a property manager may:
- 962 (a) solicit referrals for clients, owners, customers, and renters;
- 963 (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for
- 964 referring a prospective client;
- 965 (c) accept a referral fee from an individual, whether licensed or unlicensed;
- 966 (d) contract for services, pay bills, and act on behalf of an owner as provided in a
- 967 management agreement; and
- 968 (e) advertise properties for rent or lease.
- 969 (3) Except as provided in Subsection (4), and subject to Subsection (5), a property manager
- 970 shall associate with at least one real estate trust account in a bank or credit union:
- 971 (a) located within the state;
- 972 (b) that, unless otherwise modified by a contract for property management, one or more
- 973 property managers use for the purpose of securing:
- 974 (i) tenant security deposits;
- 975 (ii) rent;
- 976 (iii) money tendered by a property owner as a reserve fund or for payment of an
- 977 unexpected expense; and
- 978 (iv) any other purpose designated by the commission; and
- 979 (c) that is non-interest bearing, unless the parties to a property management contract:

- 980 (i) agree in writing to deposit the funds in an interest-bearing account;
- 981 (ii) designate in writing the individuals to whom the parties will pay the interest on
- 982 completion or failure of the property management contract; and
- 983 (iii) ensure that the parties and trust account comply with any other rules established
- 984 by the commission or division.

985 (4) Except as provided in Subsection (5), [~~a property manager who obtains and holds a~~
 986 ~~security bond that protects at least 30% of the estimated property management client~~
 987 ~~funds is not required to maintain the estimated property management client funds in a~~
 988 ~~trust account.] a property manager is not required to maintain the property management
 989 client funds in a trust account if:~~

- 990 (a) the property owner agrees in the property management agreement that the property
 991 manager is not required to hold property management client funds in a trust account;
 992 and
- 993 (b) a lease agreement states that the property manager is not required to hold property
 994 management client funds in a trust account.

995 (5) A property manager who is affiliated with a principal broker shall keep property
 996 management client funds in the principal broker's trust account in accordance with:
 997 (a) rules established by the commission or division; and
 998 (b) requirements established by the principal broker.

999 Section 12. **Repealer.**

1000 This bill repeals:

1001 Section **61-2f-101, Title.**

1002 Section 13. **Effective Date.**

1003 This bill takes effect on May 6, 2026.