	RESIDENCE LIEN RESTRICTION AMENDMENTS
	2014 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: Todd Weiler
	House Sponsor: Jon Cox
]	LONG TITLE
(General Description:
	This bill modifies provisions relating to eligibility for claims against the Residence Lien
]	Recovery Fund.
]	Highlighted Provisions:
	This bill:
	 amends the definition of owner for purposes of the Residence Lien Restriction and
]	Lien Recovery Fund Act and related provisions; and
	 makes technical changes.
]	Money Appropriated in this Bill:
	None
(Other Special Clauses:
	None
1	Utah Code Sections Affected:
1	AMENDS:
	38-11-102, as last amended by Laws of Utah 2011, Chapters 14 and 342
i	Be it enacted by the Legislature of the state of Utah:
	Section 1. Section 38-11-102 is amended to read:
	38-11-102. Definitions.
	(1) "Board" means the Residence Lien Recovery Fund Advisory Board established



28 under Section 38-11-104.

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(2) "Certificate of compliance" means an order issued by the director to the owner finding that the owner is in compliance with the requirements of Subsections 38-11-204(4)(a) and (4)(b) and is entitled to protection under Section 38-11-107.

- (3) "Construction on an owner-occupied residence" means designing, engineering, constructing, altering, remodeling, improving, repairing, or maintaining a new or existing residence.
 - (4) "Department" means the Department of Commerce.
- 36 (5) "Director" means the director of the Division of Occupational and Professional37 Licensing.
 - (6) "Division" means the Division of Occupational and Professional Licensing.
 - (7) "Duplex" means a single building having two separate living units.
- 40 (8) "Encumbered fund balance" means the aggregate amount of outstanding claims 41 against the fund. The remainder of the money in the fund is unencumbered funds.
 - (9) "Executive director" means the executive director of the Department of Commerce.
- 43 (10) "Factory built housing" is as defined in Section 15A-1-302.
 - (11) "Factory built housing retailer" means a person that sells factory built housing to consumers.
- 46 (12) "Fund" means the Residence Lien Recovery Fund established under Section 38-11-201.
 - (13) "Laborer" means a person who provides services at the site of the construction on an owner-occupied residence as an employee of an original contractor or other qualified beneficiary performing qualified services on the residence.
 - (14) "Licensee" means any holder of a license issued under Title 58, [Chapters]

 Chapter 3a, Architects Licensing Act[---]; Chapter 22, Professional Engineers and Professional

 Land Surveyors Licensing Act[----]; Chapter 53, Landscape Architects Licensing Act[---]; and
- 54 <u>Chapter</u> 55, Utah Construction Trades Licensing Act.
 - (15) "Nonpaying party" means the original contractor, subcontractor, or real estate developer who has failed to pay the qualified beneficiary making a claim against the fund.
- 57 (16) "Original contractor" means a person who contracts with the owner of real 58 property or the owner's agent to provide services, labor, or material for the construction of an

59 owner-occupied residence.

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- (17) "Owner" means a person who:
- (a) contracts with a person who is licensed as a contractor or is exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act, for the construction on an owner-occupied residence upon real property [owned by that person;] that the person:
 - (i) owns; or
- (ii) purchases after the person enters into a contract described in this Subsection (17)(a) and before completion of the owner-occupied residence;
- (b) contracts with a real estate developer to buy a residence upon completion of the construction on the owner-occupied residence; or
- (c) [buys] <u>purchases</u> a residence from a real estate developer after completion of the construction on the owner-occupied residence.
- (18) "Owner-occupied residence" means a residence that is, or after completion of the construction on the residence will be, occupied by the owner or the owner's tenant or lessee as a primary or secondary residence within 180 days [from the date of the completion of] after the day on which the construction on the residence is complete.
 - (19) "Qualified beneficiary" means a person who:
- 76 (a) provides qualified services;
 - (b) pays necessary fees or assessments required under this chapter; and
- 78 (c) registers with the division:
 - (i) as a licensed contractor under Subsection 38-11-301(1) or (2), if that person seeks recovery from the fund as a licensed contractor; or
 - (ii) as a person providing qualified services other than as a licensed contractor under Subsection 38-11-301(3) if the person seeks recovery from the fund in a capacity other than as a licensed contractor.
 - (20) (a) "Qualified services" means the following performed in construction on an owner-occupied residence:
 - (i) contractor services provided by a contractor licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act;
- 88 (ii) architectural services provided by an architect licensed under Title 58, Chapter 3a, 89 Architects Licensing Act;

S.B. 189 02-13-14 2:03 PM

90	(iii) engineering and land surveying services provided by a professional engineer or
91	land surveyor licensed or exempt from licensure under Title 58, Chapter 22, Professional
92	Engineers and Professional Land Surveyors Licensing Act;
93	(iv) landscape architectural services by a landscape architect licensed or exempt from
94	licensure under Title 58, Chapter 53, Landscape Architects Licensing Act;
95	(v) design and specification services of mechanical or other systems;
96	(vi) other services related to the design, drawing, surveying, specification, cost
97	estimation, or other like professional services;
98	(vii) providing materials, supplies, components, or similar products;
99	(viii) renting equipment or materials;
100	(ix) labor at the site of the construction on the owner-occupied residence; and
101	(x) site preparation, set up, and installation of factory built housing.
102	(b) "Qualified services" [do] does not include the construction of factory built housing
103	in the factory.
104	(21) "Real estate developer" means a person having an ownership interest in real
105	property who:
106	(a) contracts with a person who is licensed as a contractor or is exempt from licensure
107	under Title 58, Chapter 55, Utah Construction Trades Licensing Act, for the construction of a
108	residence that is offered for sale to the public; or
109	(b) is a licensed contractor under Title 58, Chapter 55, Utah Construction Trades
110	Licensing Act, who engages in the construction of a residence that is offered for sale to the
111	public.
112	(22) (a) "Residence" means an improvement to real property used or occupied, to be
113	used or occupied as, or in conjunction with:
114	(i) a primary or secondary detached single-family dwelling; or
115	(ii) a multifamily dwelling up to and including duplexes.
116	(b) "Residence" includes factory built housing.
117	(23) "Subsequent owner" means a person who purchases a residence from an owner
118	within 180 days [from the date] after the day on which the construction on the residence is

completed.

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Office of Legislative Research and General Counsel