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REGULATIONS FOR LEGAL SERVICES

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael K. McKell

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts and amends provisions related to the regulation of legal services and lawyer referral services.

Highlighted Provisions:

This bill:

- ▶ enacts provisions related to lawyer referral consultants, including provisions that:
 - require certain persons to be registered as lawyer referral consultants;
 - establish application requirements;
 - require criminal background checks for lawyer referral consultants;
 - establish requirements for posting bond;
 - establish requirements for a contract that a lawyer referral consultant enters into;
 - require accounting for lawyer referral services;
 - address delivery, release, and treatment of documents;
 - provide requirements for posting certain notices; and
 - provide for enforcement of provisions and recovery of losses;
- ▶ amends provisions related to exceptions to a prohibition on kickbacks for certain activities an attorney may engage in;
- ▶ provides that certain providers of legal services owe a fiduciary duty to the person to whom legal services are provided;
- ▶ creates a private right of action for a breach of certain fiduciary duties; and



28 ▶ defines terms.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 This bill provides a special effective date.

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **13-2-1 (Superseded 12/31/23)**, as last amended by Laws of Utah 2022, Chapter 201

36 **13-2-1 (Effective 12/31/23)**, as last amended by Laws of Utah 2022, Chapters 201, 462

37 **76-10-3201**, as enacted by Laws of Utah 2022, Chapter 415

38 ENACTS:

39 **13-63-101**, Utah Code Annotated 1953

40 **13-63-201**, Utah Code Annotated 1953

41 **13-63-202**, Utah Code Annotated 1953

42 **13-63-203**, Utah Code Annotated 1953

43 **13-63-204**, Utah Code Annotated 1953

44 **13-63-301**, Utah Code Annotated 1953

45 **13-63-302**, Utah Code Annotated 1953

46 **13-63-303**, Utah Code Annotated 1953

47 **13-63-304**, Utah Code Annotated 1953

48 **13-63-305**, Utah Code Annotated 1953

49 **13-63-401**, Utah Code Annotated 1953

50 **13-63-402**, Utah Code Annotated 1953

51 **13-63-403**, Utah Code Annotated 1953

52 **13-63-404**, Utah Code Annotated 1953

53 **13-64-101**, Utah Code Annotated 1953

54 **13-64-201**, Utah Code Annotated 1953

55 **13-64-202**, Utah Code Annotated 1953



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

58 Section 1. Section **13-2-1 (Superseded 12/31/23)** is amended to read:

59 **13-2-1 (Superseded 12/31/23). Consumer protection division established --**
60 **Functions.**

61 (1) There is established within the Department of Commerce the Division of Consumer
62 Protection.

63 (2) The division shall administer and enforce the following:

64 (a) Chapter 5, Unfair Practices Act;

65 (b) Chapter 10a, Music Licensing Practices Act;

66 (c) Chapter 11, Utah Consumer Sales Practices Act;

67 (d) Chapter 15, Business Opportunity Disclosure Act;

68 (e) Chapter 20, New Motor Vehicle Warranties Act;

69 (f) Chapter 21, Credit Services Organizations Act;

70 (g) Chapter 22, Charitable Solicitations Act;

71 (h) Chapter 23, Health Spa Services Protection Act;

72 (i) Chapter 25a, Telephone and Facsimile Solicitation Act;

73 (j) Chapter 26, Telephone Fraud Prevention Act;

74 (k) Chapter 28, Prize Notices Regulation Act;

75 (l) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
76 Transaction Information Act;

77 (m) Chapter 34, Utah Postsecondary Proprietary School Act;

78 (n) Chapter 34a, Utah Postsecondary School State Authorization Act;

79 (o) Chapter 41, Price Controls During Emergencies Act;

80 (p) Chapter 42, Uniform Debt-Management Services Act;

81 (q) Chapter 49, Immigration Consultants Registration Act;

82 (r) Chapter 51, Transportation Network Company Registration Act;

83 (s) Chapter 52, Residential Solar Energy Disclosure Act;

84 (t) Chapter 53, Residential, Vocational and Life Skills Program Act;

85 (u) Chapter 54, Ticket Website Sales Act;

86 (v) Chapter 56, Ticket Transferability Act; [~~and~~]

87 (w) Chapter 57, Maintenance Funding Practices Act[-]; and

88 (x) Chapter 63, Lawyer Referral Consultants Registration Act.

89 Section 2. Section **13-2-1 (Effective 12/31/23)** is amended to read:

90 **13-2-1 (Effective 12/31/23). Consumer protection division established --**

91 **Functions.**

92 (1) There is established within the Department of Commerce the Division of Consumer
93 Protection.

94 (2) The division shall administer and enforce the following:

95 (a) Chapter 5, Unfair Practices Act;

96 (b) Chapter 10a, Music Licensing Practices Act;

97 (c) Chapter 11, Utah Consumer Sales Practices Act;

98 (d) Chapter 15, Business Opportunity Disclosure Act;

99 (e) Chapter 20, New Motor Vehicle Warranties Act;

100 (f) Chapter 21, Credit Services Organizations Act;

101 (g) Chapter 22, Charitable Solicitations Act;

102 (h) Chapter 23, Health Spa Services Protection Act;

103 (i) Chapter 25a, Telephone and Facsimile Solicitation Act;

104 (j) Chapter 26, Telephone Fraud Prevention Act;

105 (k) Chapter 28, Prize Notices Regulation Act;

106 (l) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
107 Transaction Information Act;

108 (m) Chapter 34, Utah Postsecondary Proprietary School Act;

109 (n) Chapter 34a, Utah Postsecondary School State Authorization Act;

110 (o) Chapter 41, Price Controls During Emergencies Act;

111 (p) Chapter 42, Uniform Debt-Management Services Act;

112 (q) Chapter 49, Immigration Consultants Registration Act;

113 (r) Chapter 51, Transportation Network Company Registration Act;

114 (s) Chapter 52, Residential Solar Energy Disclosure Act;

115 (t) Chapter 53, Residential, Vocational and Life Skills Program Act;

116 (u) Chapter 54, Ticket Website Sales Act;

117 (v) Chapter 56, Ticket Transferability Act;

118 (w) Chapter 57, Maintenance Funding Practices Act; [~~and~~]

119 (x) Chapter 61, Utah Consumer Privacy Act[-]; and

120 (y) Chapter 63, Lawyer Referral Consultants Registration Act.

121 Section 3. Section **13-63-101** is enacted to read:

122 **CHAPTER 63. LAWYER REFERRAL CONSULTANTS REGISTRATION ACT**

123 **Part 1. General Provisions**

124 **13-63-101. Definitions.**

125 As used in this chapter:

126 (1) "Attorney" means an individual who is authorized to provide legal services in any
127 state or territory of the United States.

128 (2) "Client" means a person that is provided lawyer referral services by a lawyer
129 referral.

130 (3) "Compensation" means anything of economic value that is paid, loaned, granted,
131 given, donated, or transferred to a person for or in consideration of:

132 (a) services;

133 (b) personal or real property; or

134 (c) another thing of value.

135 (4) "Department" means the Department of Commerce.

136 (5) "Division" means the Division of Consumer Protection in the department.

137 (6) "Law firm" means a person that employs an attorney.

138 (7) "Lawyer referral consultant" means an individual that engages in lawyer referral
139 service.

140 (8) "Lawyer referral service" means assisting a person to find an attorney or law firm
141 that provides legal services in the legal field appropriate for the person's legal matter.

142 (9) "Legal services" means any form of legal advice or legal representation that is
143 subject to the laws of this state.

144 Section 4. Section **13-63-201** is enacted to read:

145 **Part 2. Registration Requirements**

146 **13-63-201. Requirement to be registered as a lawyer referral consultant.**

147 (1) (a) Except as provided in Subsection (1)(b), an individual may not engage in an
148 activity of a lawyer referral consultant for compensation unless the individual is registered
149 under this chapter.

150 (b) Except as provided in Subsections [13-63-303](#)(3) and (4), this chapter does not
151 apply to an attorney.

152 (2) A lawyer referral consultant may only offer nonlegal assistance or advice in
153 providing lawyer referral services.

154 Section 5. Section **13-63-202** is enacted to read:

155 **13-63-202. Application for registration.**

156 (1) To register as a lawyer referral consultant an individual shall:

157 (a) submit an annual application in a form prescribed by the division;

158 (b) pay an annual registration fee determined by the department in accordance with

159 Section [63J-1-504](#), which shall include the costs of the criminal background check required

160 under Subsection (1)(e);

161 (c) have good moral character in that the individual has not been convicted of:

162 (i) a felony; or

163 (ii) within the prior 10 years, a misdemeanor involving theft, fraud, or dishonesty;

164 (d) submit fingerprint cards in a form acceptable to the division at the time the

165 application is filed; and

166 (e) consent to a fingerprint background check of the individual by the Bureau of

167 Criminal Identification regarding the application.

168 (2) The division shall register an individual who qualifies under this chapter as a

169 lawyer referral consultant.

170 Section 6. Section **13-63-203** is enacted to read:

171 **13-63-203. Requirement to submit to criminal background check.**

172 (1) The division shall require an applicant for registration as a lawyer referral

173 consultant to:

174 (a) submit a fingerprint card in a form acceptable to the division; and

175 (b) consent to a fingerprint criminal background check by the Bureau of Criminal

176 Identification.

177 (2) (a) The division shall obtain information from a criminal background history record

178 maintained by the Bureau of Criminal Identification pursuant to Title 53, Chapter 10, Part 2,

179 Bureau of Criminal Identification.

180 (b) The information obtained under Subsection (2)(a) may only be used by the division

181 to determine whether an applicant for registration as a lawyer referral consultant meets the

182 requirements of Subsection [13-63-202](#)(1)(c).

183 Section 7. Section **13-63-204** is enacted to read:

184 **13-63-204. Bonds - Exemption - Statements dependent on posting bond.**

185 (1) A lawyer referral consultant shall post a cash bond or surety bond:

186 (a) in the amount of \$50,000; and

187 (b) payable to the division for the benefit of any person damaged by any of the
188 following acts that a lawyer referral consultant or the lawyer referral consultant's agent,
189 representative, or employee commits:

190 (i) fraud;

191 (ii) misstatement;

192 (iii) misrepresentation;

193 (iv) unlawful act;

194 (v) omission; or

195 (vi) failure to provide lawyer referral services.

196 (2) A bond under this section shall be:

197 (a) in a form approved by the division; and

198 (b) conditioned upon the faithful compliance of a lawyer referral consultant with this
199 chapter and division rules.

200 (3) A lawyer referral consultant shall keep the bond required under this section in force
201 for one year after:

202 (a) the lawyer referral consultant's registration expires; or

203 (b) the lawyer referral consultant notifies the division in writing that the lawyer referral
204 consultant has ceased all activities regulated under this chapter.

205 (4) (a) If a surety bond posted by a lawyer referral consultant under this section is
206 canceled due to the lawyer referral consultant's negligence, the division may assess a \$300
207 reinstatement fee.

208 (b) No part of a bond posted by a lawyer referral consultant under this section may be
209 withdrawn:

210 (i) during the one-year period the registration under this chapter is in effect; or

211 (ii) while a revocation proceeding is pending against the immigration consultant.

212 (5) (a) A bond posted under this section by a lawyer referral consultant may be
213 forfeited if the lawyer referral consultant's registration under this chapter is revoked.

214 (b) Notwithstanding Subsection (5)(a), the division may make a claim against a bond
215 posted by a lawyer referral consultant for money owed to the division under this chapter
216 without the division first revoking the lawyer referral consultant's registration.

217 (6) An individual may not disseminate by any means a statement indicating that the
218 individual is a lawyer referral consultant, or proposes to engage in the business of a lawyer
219 referral consultant, unless the individual has posted a bond under this section that is maintained
220 throughout the period covered by the statement.

221 (7) A lawyer referral consultant may not make or authorize the making of an oral or
222 written reference to the lawyer referral consultant's compliance with the bonding requirements
223 of this section except as provided in this section.

224 Section 8. Section **13-63-301** is enacted to read:

225 **Part 3. Operational Requirements**

226 **13-63-301. Requirements for written contract -- Prohibited statements.**

227 (1) (a) Before a lawyer referral consultant may provide lawyer referral services to a
228 client, the lawyer referral consultant shall provide the client with a written contract.

229 (b) The contents of the written contract described in Subsection (1)(a) shall comply
230 with this section and rules made by the division in accordance with Title 63G, Chapter 3, Utah
231 Administrative Rulemaking Act.

232 (c) A prospective client may cancel a written contract on or before midnight of the
233 third business day after execution of the written contract, excluding weekends and state and
234 federal holidays.

235 (2) A written contract under this section shall be stated in both English and in the
236 client's native language.

237 (3) A written contract under this section shall:

238 (a) state the purpose for which the lawyer referral consultant has been hired;

239 (b) state the one or more lawyer referral services to be performed;

240 (c) state the price for a lawyer referral service to be performed;

241 (d) include a statement printed in 10-point boldface type that the lawyer referral
242 consultant is not an attorney and may not perform the legal services that an attorney performs;

243 (e) with regard to a document to be prepared by the lawyer referral consultant:

244 (i) list the document to be prepared;

- 245 (ii) explain the purpose of the document;
- 246 (iii) explain the process to be followed in preparing of the document;
- 247 (iv) explain the action to be taken by the lawyer referral consultant; and
- 248 (v) state the agency or office where each document will be filed;
- 249 (f) include a provision stating that the client may report complaints relating to a lawyer
250 referral consultant to the division, including a toll-free telephone number and Internet website;
- 251 (g) include a provision stating that complaints concerning the unauthorized practice of
252 law may be reported to the Utah State Bar, including a toll-free telephone number and Internet
253 website; and
- 254 (h) in accordance with Subsection (1)(b), include a provision stating in boldface on the
255 first page of the written contract in both English and in the client's native language in
256 accordance with Subsection (2): "You may cancel this contract on or before midnight of the
257 third business day after execution of the written contract."
- 258 (4) A written contract may not contain a provision relating to a guarantee or promise
259 unless the lawyer referral consultant has some basis in fact for making the guarantee of
260 promise.
- 261 (5) A lawyer referral consultant may not make a guarantee or promise described in
262 Subsection (4) orally to a client.
- 263 (6) A written contract is void if not written in accordance with this section.
- 264 Section 9. Section **13-63-302** is enacted to read:
- 265 **13-63-302. Accounting for services -- Receipts.**
- 266 (1) (a) A lawyer referral consultant shall provide a signed receipt to a client for each
267 payment made by that client.
- 268 (b) A receipt described in Subsection (1)(a) shall be typed or computer generated on
269 the lawyer referral consultant's letterhead.
- 270 (2) A lawyer referral consultant shall make a statement of accounting for the lawyer
271 referral services rendered and payments made:
- 272 (a) in the client's native language;
- 273 (b) that is typed or computer generated on the lawyer referral consultant's letterhead;
- 274 (c) that lists the individual and total charges for services; and
- 275 (d) that lists the payments made by the client.

276 Section 10. Section **13-63-303** is enacted to read:

277 **13-63-303. Notice to be displayed -- Disclosure to be provided in writing.**

278 (1) A lawyer referral consultant shall conspicuously display in the lawyer referral
279 consultant's office a notice that shall be at least 12 by 20 inches with boldface type or print with
280 each character at least one inch in height and width, that contains the following information:

281 (a) the full name, address, and evidence of compliance with any applicable bonding
282 requirement including the bond number;

283 (b) a statement that the lawyer referral consultant is not an attorney; and

284 (c) the name of each lawyer referral consultant employed at each location.

285 (2) (a) Before providing any services, a lawyer referral consultant shall provide a client
286 with a written disclosure in the native language of the client that includes the following:

287 (i) the lawyer referral consultant's name, address, and telephone number;

288 (ii) the lawyer referral consultant's agent for service of process;

289 (iii) evidence of compliance with any applicable bonding requirement, including the
290 bond number; and

291 (iv) a list of the services that the lawyer referral consultant provides and the current and
292 total fee for each service.

293 (b) A lawyer referral consultant shall obtain the signature of the client verifying that the
294 client received the written disclosure described in Subsection (2)(a) before a service is
295 provided.

296 (3) (a) Except as provided in Subsection (3)(b), a lawyer referral consultant who prints,
297 displays, publishes, distributes, or broadcasts, or who causes to be printed, displayed,
298 published, distributed, or broadcasted, any advertisement for services as a lawyer referral
299 consultant, shall include in that advertisement a clear and conspicuous statement that the
300 lawyer referral consultant is not an attorney.

301 (b) (i) Subsection (3)(a) does not apply to a person who is not an active member of the
302 Utah State Bar, but is an attorney licensed in another state or territory of the United States.

303 (ii) A person described in Subsection (3)(b)(i) shall include in any advertisement for
304 lawyer referral services a clear and conspicuous statement that the person is not an attorney
305 licensed to practice law in this state, but is an attorney licensed in another state or territory of
306 the United States.

307 (4) If an advertisement subject to this section is in a language other than English, the
308 statement required by Subsection (3) shall be in the same language as the advertisement.

309 Section 11. Section **13-63-304** is enacted to read:

310 **13-63-304. Translations -- Prohibited acts.**

311 (1) As used in this section, "literal translation" of a word or phrase from one language
312 means the translation of a word or phrase without regard to the true meaning of the word or
313 phrase in the language that is being translated.

314 (2) A lawyer referral consultant may not, with the intent to mislead, literally translate,
315 from English into another language, words or titles, including, "notary public," "notary,"
316 "licensed," "attorney," "lawyer," or any other terms that imply that the lawyer referral
317 consultant is an attorney, in any document, including an advertisement, stationery, letterhead,
318 business card, or other comparable written material describing the lawyer referral consultant.

319 Section 12. Section **13-63-305** is enacted to read:

320 **13-63-305. Documents -- Treatment of original documents.**

321 A lawyer referral consultant shall:

322 (1) deliver to a client a copy of a document completed on behalf of the client;

323 (2) include on a document delivered to a client the name and address of the lawyer
324 referral consultant;

325 (3) retain a copy of a document of a client for not less than three years from the date of
326 the last service the lawyer referral consultant provides to the client; and

327 (4) return to a client all original documents that the client has provided to the lawyer
328 referral consultant.

329 Section 13. Section **13-63-401** is enacted to read:

330 **Part 4. Prohibited Acts and Penalties**

331 **13-63-401. Unlawful acts.**

332 (1) It is unlawful for a lawyer referral consultant to:

333 (a) make a false or misleading statement to a client while providing services to that
334 client;

335 (b) make a guarantee or promise to a client, unless the guarantee or promise is in
336 writing and the lawyer referral consultant has some basis in fact for making the guarantee or
337 promise; or

338 (c) charge a client a fee for referral of the client to another person for services that the
339 lawyer referral consultant cannot or will not provide to the client.

340 (2) A sign describing the prohibition described in Subsection (1)(c) shall be
341 conspicuously displayed in the office of a lawyer referral consultant.

342 Section 14. Section **13-63-402** is enacted to read:

343 **13-63-402. Violations -- Actions by division.**

344 (1) (a) The division may make an investigation the division considers necessary to
345 determine whether a person is violating, has violated, or is about to violate this chapter or any
346 rule made or order issued under this chapter.

347 (b) As part of the investigation described in Subsection (1)(a), the division may:

348 (i) require a person to file a statement in writing;

349 (ii) administer oaths, subpoena witnesses and compel their attendance, take evidence,
350 and examine under oath any person in connection with an investigation; and

351 (iii) require the production of any books, papers, documents, merchandise, or other
352 material relevant to the investigation.

353 (2) A person who violates this chapter is subject to:

354 (a) a cease and desist order; and

355 (b) an administrative fine of not less than \$1,000 or more than \$5,000 for each separate
356 violation.

357 (3) An administrative fine shall be deposited in the Consumer Protection Education
358 and Training Fund created in Section [13-2-8](#).

359 (4) (a) A person who intentionally violates this chapter:

360 (i) is guilty of a class A misdemeanor; and

361 (ii) may be fined up to \$10,000.

362 (b) A person intentionally violates this part if the violation occurs after the division,
363 attorney general, or a district or county attorney notifies the person by certified mail that the
364 person is in violation of this chapter.

365 Section 15. Section **13-63-403** is enacted to read:

366 **13-63-403. Action by attorney general or district or county attorney.**

367 (1) Upon referral from the division, the attorney general or any district or county
368 attorney may:

369 (a) bring an action for temporary or permanent injunctive or other relief in any court of
370 competent jurisdiction for any violation of this part;

371 (b) bring an action in any court of competent jurisdiction for the collection of penalties
372 authorized under Subsection 13-63-402(2); or

373 (c) bring an action under Subsection 13-63-402(4).

374 (2) A court may, upon entry of final judgment, award restitution when appropriate to
375 any person suffering loss because of a violation of this part if proof of loss is submitted to the
376 satisfaction of the court.

377 Section 16. Section 13-63-404 is enacted to read:

378 **13-63-404. Recovery of losses.**

379 In addition to any other remedies, a person suffering pecuniary loss because of a
380 violation by another person of this chapter may bring an action in any court of competent
381 jurisdiction and may recover:

382 (1) the greater of:

383 (a) \$500; or

384 (b) twice the amount of the pecuniary loss; and

385 (2) court costs and reasonable attorney fees as determined by the court.

386 Section 17. Section 13-64-101 is enacted to read:

387 **CHAPTER 64. FIDUCIARY DUTY FOR CERTAIN PROVIDERS OF LEGAL**
388 **SERVICES**

389 **Part 1. General Provisions**

390 **13-64-101. Definitions.**

391 As used in this chapter:

392 (1) "Business entity" means a sole proprietorship, partnership, limited partnership,
393 limited liability company, corporation, or other legal entity that is:

394 (a) used to carry on a business for profit; and

395 (b) a participant in the sandbox.

396 (2) "Court rule" means rules of procedure, evidence, or practice for use of the courts of
397 this state.

398 (3) "Out-of-state attorney" means an individual admitted and licensed to practice law in
399 another state or territory of the United States who is authorized by court rule to practice law in

400 this state without being admitted and licensed to practice law in this state.

401 (4) "Participant" means a business entity or a business entity's officer, director, partner,
402 or employee that provides legal services under the sandbox:

403 (a) to a person other than the business entity; and

404 (b) for the business entity's profit.

405 (5) "Sandbox" means the regulatory sandbox program established by the Utah Supreme
406 Court for authorizing nontraditional legal service providers to practice law on a limited and
407 temporary basis under Utah Supreme Court Rule of Professional Practice 14-802.

408 Section 18. Section **13-64-201** is enacted to read:

409 **Part 2. Duty and Cause of Action**

410 **13-64-201. Fiduciary duty.**

411 Each officer, director, and partner of a participant owes a fiduciary duty to:

412 (1) the person to whom legal service is provided;

413 (2) in relation to legal service provided; and

414 (3) as applicable, that supersedes the duties described in Subsection [16-10a-840\(1\)](#).

415 Section 19. Section **13-64-202** is enacted to read:

416 **13-64-202. Cause of action.**

417 (1) A person may bring an action in a court of competent jurisdiction for:

418 (a) a breach of the fiduciary duty described in Section [13-64-201](#); or

419 (b) an out-of-state attorney's breach of a fiduciary duty arising from an attorney-client
420 relationship.

421 (2) If a court of competent jurisdiction finds that a person breached a fiduciary duty
422 described in this chapter, the person who brings an action described in Subsection (1) is
423 entitled to:

424 (a) actual damages;

425 (b) punitive damages;

426 (c) injunctive relief;

427 (d) attorney fees; or

428 (e) any combination of relief described in Subsections (2)(a) through (2)(d).

429 Section 20. Section **76-10-3201** is amended to read:

430 **76-10-3201. Prohibition on kickbacks.**

431 (1) As used in this section:

432 (a) "Kickback or bribe" means a rebate, compensation, or any other form of
433 remuneration, that is:

434 (i) direct or indirect;

435 (ii) overt or covert; or

436 (iii) in cash or in kind.

437 (b) "Kickback or bribe" does not include a fee that is:

438 (i) shared between two or more individuals, each of whom is licensed to practice law;

439 and

440 (ii) charged for services provided in the individual's capacity as a licensee described in
441 Subsection (1)(b)(i).

442 (2) (a) An actor may not solicit or receive a kickback or bribe in return for the referral
443 of a person to another person for the furnishing of any good or service that relates to any
444 insurance claim or a claim for damages.

445 (b) An actor may not offer or pay a kickback or bribe to induce the referral of a person
446 to another person for the furnishing of any good or service that relates to any insurance claim or
447 a claim for damages.

448 (3) A violation of Subsection (2)(a) or (b) is a third degree felony.

449 (4) This section does not apply to an individual licensed to practice law when:

450 (a) referring[~~-, without compensation,~~] a client for medical treatment or evaluation[-], if
451 the referral is made without:

452 (i) compensation;

453 (ii) payment of a lien; or

454 (iii) payment for medical services; or

455 (b) marketing to, or engaging in client development activities with, an individual
456 licensed to provide medical treatment or evaluation, if the marketing or client development
457 activities are not for the purpose of inducing the individual licensed to provide medical
458 treatment or evaluation to refer a particular person to the individual licensed to practice law.

459 Section 21. **Effective date.**

460 (1) Except as provided in Subsection (2), this bill takes effect on May 2, 2024.

461 (2) The changes affecting Section [13-2-1](#) (Effective 12/21/23) take effect on December

462 31, 2023.