

**Property Manager Requirements**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jordan D. Teuscher**

Senate Sponsor: Calvin R. Musselman

---

---

**LONG TITLE**

**General Description:**

This bill modifies the Utah Real Estate Licensing and Practices Act.

**Highlighted Provisions:**

This bill:

- defines terms;
- grants the Real Estate Commission (commission) authority to make administrative rules relating to property managers;
- requires an individual to hold a license as a property manager before engaging in property management;
- exempts certain individuals from licensure under this act;
- requires that the commission and Division of Real Estate determine the qualifications and requirements for an applicant for a property manager license;
- allows an individual with an active broker, associate broker, or sales agent license to obtain a property manager license without meeting certain examination and education requirements;
- requires that an applicant for a property manager license pay a licensing fee;
- repeals provisions authorizing certain individuals to act as a property manager;
- authorizes a property manager to fill out any form or document related to property management;
- provides parameters for what a property manager may do when engaging in property management;
- requires that a property manager associate with a real estate trust account;
- exempts a property manager with a security bond that protects at least 30% of estimated client funds from the requirement to associate with a real estate trust account; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

**AMENDS:**

**61-2f-102**, as last amended by Laws of Utah 2024, Chapter 227

**61-2f-103**, as last amended by Laws of Utah 2022, Chapter 204

**61-2f-201**, as renumbered and amended by Laws of Utah 2010, Chapter 379

**61-2f-202**, as last amended by Laws of Utah 2022, Chapter 204

**61-2f-203**, as last amended by Laws of Utah 2022, Chapter 204

**61-2f-204**, as last amended by Laws of Utah 2022, Chapter 204

**61-2f-206**, as last amended by Laws of Utah 2022, Chapter 204

**ENACTS:**

**61-2f-202.5**, Utah Code Annotated 1953

**61-2f-307**, Utah Code Annotated 1953

**61-2f-411**, Utah Code Annotated 1953

---

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

Section 1. Section **61-2f-102** is amended to read:

**61-2f-102 . Definitions.**

As used in this chapter:

(1) "Associate broker" means an individual who is:

(a) employed or engaged as an independent contractor by or on behalf of a principal broker to perform an act described in Subsection [~~(20)~~] (19) for valuable consideration; and

(b) licensed or is required to be licensed under this chapter as an associate broker.

(2) "Branch broker" means an associate broker who manages a principal broker's branch office under the supervision of the principal broker.

(3) "Branch office" means a principal broker's real estate brokerage office that is not the principal broker's main office.

(4) "Business day" means a day other than:

(a) a Saturday;

(b) a Sunday; or

(c) a federal or state holiday.

(5) "Business opportunity" means the sale, lease, or exchange of any business that includes an interest in real estate.

(6) "Commission" means the Real Estate Commission established under this chapter.

(7) "Common interest association" means the same as that term is defined in Section 57-1-46.

~~[(7)]~~ (8) "Concurrence" means the entities given a concurring role must jointly agree for action to be taken.

~~[(8) "Condominium homeowners' association" means the condominium unit owners acting as a group in accordance with declarations and bylaws.]~~

(9)(a) "Condominium hotel" means one or more condominium units that are operated as a hotel.

(b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of which are owned by a single entity.

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

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

(12) "Division" means the Division of Real Estate.

~~[(13) "Dual broker" means a principal broker of a real estate sales brokerage who obtains from the division a dual broker license in order to function as the principal broker of a property management company that is a separate entity from the real estate sales brokerage.]~~

~~[(14)]~~ (13) "Entity" means:

(a) a corporation;

(b) a partnership;

(c) a limited liability company;

(d) a company;

(e) an association;

(f) a joint venture;

(g) a business trust;

(h) a trust; or

(i) any organization similar to an entity described in Subsections ~~[(14)(a)]~~ (13)(a) through (h).

~~[(15)]~~ (14) "Executive director" means the director of the Department of Commerce.

96     ~~[(16)]~~ (15) "Foreclosure rescue" means, for compensation or with the expectation of  
 97     receiving valuable consideration~~[-, to:]~~ :

98     ~~[(a) engage, or offer to engage, in]~~

99     ~~(a)~~ an act that:

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

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

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

103         (i) ~~[solicit, or offer]~~ a solicitation or an offer that the other person will engage in an  
 104             act described in Subsection ~~[(16)(a)]~~ (15)(a); or

105         (ii) ~~[negotiate]~~ negotiation of the terms in relationship to an act described in  
 106             Subsection ~~[(16)(a)]~~ (15)(a).

107     ~~[(17)]~~ (16) "Loan modification assistance" means, for compensation or with the expectation  
 108     of receiving valuable consideration~~[-, to:]~~:

109     (a) ~~[act,]~~ an act, or an offer to act, on behalf of a person to:

110         (i) obtain a loan term of a residential mortgage loan that is different from an existing  
 111             loan term including:

112             (A) an increase or decrease in an interest rate;

113             (B) a change to the type of interest rate;

114             (C) an increase or decrease in the principal amount of the residential mortgage  
 115             loan;

116             (D) a change in the number of required period payments;

117             (E) an addition of collateral;

118             (F) a change to, or addition of, a prepayment penalty;

119             (G) an addition of a cosigner; or

120             (H) a change in persons obligated under the existing residential mortgage loan; or

121         (ii) a substitute of a new residential mortgage loan for an existing residential  
 122             mortgage loan; or

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

124         (i) ~~[solicit, or offer]~~ a solicitation or an offer that the other person will engage in an  
 125             act described in Subsection ~~[(17)(a)]~~ (16)(a); or

126         (ii) ~~[negotiate]~~ negotiation of the terms in relationship to an act described in  
 127             Subsection ~~[(17)(a)]~~ (16)(a).

128     ~~[(18)]~~ (17) "Main office" means the address ~~[which]~~ that a principal broker designates with  
 129     the division as the principal broker's primary brokerage office.

130 [(19)] (18) "Person" means an individual or entity.

131 [(20)] (19) "Principal broker" means an individual who[-] :

132 (a) is licensed or required to be licensed as a principal broker under this chapter[-who:] ;

133 and

134 [(a)] (b)(i) sells or lists for sale real estate, including real estate being sold as part of a  
135 foreclosure rescue, or a business opportunity with the expectation of receiving  
136 valuable consideration;

137 [(b)] (ii) buys, exchanges, or auctions real estate, an option on real estate, a business  
138 opportunity, or an improvement on real estate with the expectation of receiving  
139 valuable consideration;

140 [(c)] (iii) advertises, offers, attempts, or otherwise holds the individual out to be  
141 engaged in the business described in Subsection [(20)(a)] (19)(a) or (b)(ii);

142 [(d)] (iv) is employed by or on behalf of the owner of real estate or by a prospective  
143 purchaser of real estate and performs an act described in Subsection [(20)(a),]  
144 (19)(b)(i), whether the individual's compensation is at a stated salary, a  
145 commission basis, upon a salary and commission basis, or otherwise;

146 [(e)] (v) with the expectation of receiving valuable consideration, manages property  
147 owned by another person;

148 [(f)] (vi) advertises or otherwise holds the individual out to be engaged in property  
149 management;

150 [(g)] (vii) with the expectation of receiving valuable consideration, assists or directs in  
151 the procurement of prospects for or the negotiation of a transaction listed in  
152 Subsections [(20)(a)] (19)(b)(i) and [(e)] (v);

153 [(h)] (viii) except for a mortgage lender, title insurance producer, or an employee of a  
154 mortgage lender or title insurance producer, assists or directs in the closing of a  
155 real estate transaction with the expectation of receiving valuable consideration;

156 [(i)] (ix) engages in foreclosure rescue; or

157 [(j)] (x) advertises, offers, attempts, or otherwise holds the person out as being  
158 engaged in foreclosure rescue.

159 [(21)] (20)(a) "Property management" means [engaging in] the management of real estate  
160 owned by another person, with the expectation of receiving valuable consideration,[  
161 the management of real estate owned by another person] or advertising or otherwise  
162 claiming to be engaged in [property management] the management of real estate  
163 owned by another person, by:

- 164 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or  
165 participating in a transaction calculated to secure the rental or leasing of real estate;  
166 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real  
167 estate~~[and accounting for and disbursing the money collected]~~; or  
168 (iii) ~~[authorizing expenditures for repairs to the real estate]~~ signing a lease agreement  
169 or an addendum with a tenant.
- 170 (b) "Property management" does not include:  
171 (i) hotel or motel management;  
172 (ii) rental of tourist accommodations, including hotels, motels, tourist homes,  
173 condominiums, condominium hotels, mobile home park accommodations,  
174 campgrounds, or similar public accommodations for a period of less than 30  
175 consecutive days, and the management activities associated with these rentals; or  
176 (iii) the leasing or management of surface or subsurface minerals or oil and gas  
177 interests, if the leasing or management is separate from a sale or lease of the  
178 surface estate.
- 179 ~~[(22) "Property management sales agent" means a sales agent who:]~~  
180 ~~[(a) is affiliated with a dual broker through the dual broker's property management~~  
181 ~~company; and]~~  
182 ~~[(b) is designated by the dual broker as a property management sales agent.]~~
- 183 (21) "Property manager" means an individual who:  
184 (a) is licensed or required to be licensed as a property manager under this chapter; and  
185 (b)(i) engages in property management; or  
186 (ii) advertises or otherwise holds the individual out to be engaged in property  
187 management.
- 188 ~~[(23)]~~ (22) "Real estate" includes leaseholds and business opportunities involving real  
189 property.
- 190 ~~[(24)]~~ (23)(a) "Regular salaried employee" means an individual:  
191 (i) who performs a service for wages or other remuneration[;] ; and  
192 (ii) whose employer withholds federal employment taxes under a contract of hire,  
193 written or oral, express or implied.
- 194 (b) "Regular salaried employee" does not include an individual who performs services  
195 on a project-by-project basis or on a commission basis.
- 196 ~~[(25)]~~ (24) "Reinstatement" means ~~[restoring]~~ the restoration of a license that has expired or  
197 has been suspended.

198     ~~[(26)]~~ (25) "Reissuance" means the process by which ~~[a licensee]~~ an individual may obtain a  
199     license following revocation of the license.

200     ~~[(27)]~~ (26) "Renewal" means ~~[extending]~~ the extension of a license for an additional  
201     licensing period on or before the date the license expires.

202     ~~[(28)]~~ (27) "Sales agent" means an individual who is:

203         (a) affiliated with a principal broker, either as an independent contractor or an employee  
204             as provided in Section 61-2f-303, to perform for valuable consideration an act  
205             described in Subsection ~~[(20)]~~ (19); and

206         (b) licensed, or required to be licensed, under this chapter as a sales agent.

207     ~~[(29)]~~ (28) "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.

208     Section 2. Section **61-2f-103** is amended to read:

209     **61-2f-103 . Real Estate Commission.**

210     (1) There is created within the division a Real Estate Commission.

211     (2) The commission shall:

212         (a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3,  
213             Utah Administrative Rulemaking Act, make rules for the administration of this  
214             chapter that are not inconsistent with this chapter, including:

215             (i) licensing of:

- 216                 (A) a principal broker;  
217                 (B) an associate broker;~~[-and]~~  
218                 (C) a sales agent; and  
219                 (D) a property manager;

220             (ii) registration of:

- 221                 (A) an entity;  
222                 (B) an assumed name under which a person conducts business;  
223                 (C) a branch office; and  
224                 (D) a property management company;

225             (iii) prelicensing and postlicensing education curricula;

226             (iv) examination procedures;

227             (v) the certification and conduct of:

- 228                 (A) a real estate school;  
229                 (B) a course provider; or  
230                 (C) an instructor;

231             (vi) proper handling of money received by a licensee under this chapter;

- (vii) brokerage office procedures and recordkeeping requirements;
- (viii) property management;
- (ix) standards of conduct for a licensee under this chapter;
- (x) if the commission, with the concurrence of the division, determines necessary, a rule as provided in Subsection 61-2f-306(3) regarding a legal form;
- (xi) the qualification and designation of an acting principal broker in the event a principal broker dies, is incapacitated, or is unable to perform the duties of a principal broker, as described in Section 61-2f-202; and
- (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real property transaction;
- (b) establish, with the concurrence of the division, a fee provided for in this chapter, except a fee imposed under Part 5, Real Estate Education, Research, and Recovery Fund Act;
- (c) conduct an administrative hearing not delegated by the commission to an administrative law judge or the division relating to the:
- (i) licensing of an applicant;
- (ii) conduct of a licensee;
- (iii) the certification or conduct of a real estate school, course provider, or instructor regulated under this chapter; or
- (iv) violation of this chapter by any person;
- (d) with the concurrence of the director, impose a sanction as provided in Section 61-2f-404;
- (e) advise the director on the administration and enforcement of a matter affecting the division and the real estate sales and property management industries;
- (f) advise the director on matters affecting the division budget;
- (g) advise and assist the director in conducting real estate seminars; and
- (h) perform other duties as provided by this chapter.
- (3)(a) Except as provided in Subsection (3)(b), a state entity may not, without the concurrence of the commission, make a rule that changes the rights, duties, or obligations of buyers, sellers, or persons licensed under this chapter in relation to a real estate transaction between private parties.
- (b) Subsection (3)(a) does not apply to a rule made:
- (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or
- (ii) by the Department of Commerce or any division or other rulemaking body within



- 266 the Department of Commerce.
- 267 (4)(a) The commission [~~shall be comprised~~] consists of five members appointed by the
- 268 governor and approved by the Senate in accordance with Title 63G, Chapter 24, Part
- 269 2, Vacancies.
- 270 (b) Four of the commission members shall:
- 271 (i) have at least five years' experience in the real estate business; and
- 272 (ii) hold an active principal broker, associate broker, or sales agent license.
- 273 (c) One commission member shall be a member of the general public.
- 274 (d) The governor may not appoint a commission member described in Subsection (4)(b)
- 275 who, at the time of appointment, resides in the same county in the state as another
- 276 commission member.
- 277 (e) At least one commission member described in Subsection (4)(b) shall at the time of
- 278 an appointment reside in a county that is not a county of the first or second class.
- 279 (5)(a) Except as required by Subsection (5)(b), as terms of current commission members
- 280 expire, the governor shall appoint each new member or reappointed member to a
- 281 four-year term ending June 30.
- 282 (b) [~~Notwithstanding the requirements of Subsection (5)(a), the~~] The governor shall, at
- 283 the time of appointment or reappointment, adjust the length of terms to ensure that
- 284 the terms of commission members are staggered so that approximately half of the
- 285 commission is appointed every two years.
- 286 (c) Upon the expiration of the term of a member of the commission, the member of the
- 287 commission shall continue to hold office until a successor is appointed and qualified.
- 288 (d) A commission member may not serve more than two consecutive terms.
- 289 (e) Members of the commission shall annually select one member to serve as chair.
- 290 (6) When a vacancy occurs in the membership for any reason, the governor, with the advice
- 291 and consent of the Senate, shall appoint a replacement for the unexpired term.
- 292 (7) A member may not receive compensation or benefits for the member's service, but may
- 293 receive per diem and travel expenses in accordance with:
- 294 (a) Section 63A-3-106;
- 295 (b) Section 63A-3-107; and
- 296 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
- 297 63A-3-107.
- 298 (8)(a) The commission shall meet at least monthly.
- 299 (b) The director may call additional meetings:

- (i) at the director's discretion;
  - (ii) upon the request of the chair; or
  - (iii) upon the written request of three or more commission members.
- (9) Three members of the commission constitute a quorum for the transaction of business.
- (10) A member of the commission shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

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

**61-2f-201 . License required.**

- (1) Unless a person is licensed under this chapter, it is unlawful for the person to do the following with respect to real estate located in this state:
- (a) engage in the business of a principal broker, associate broker, or sales agent;
  - (b) act in the capacity of a principal broker, associate broker, or sales agent;
  - (c) advertise or assume to act as a principal broker, associate broker, or a sales agent[-] ;  
or
  - (d) engage in property management.
- (2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a principal broker, associate broker, or a sales agent if the individual performs, offers to perform, or attempts to perform one act for valuable consideration of:
- (a) buying, selling, [~~leasing, managing,~~] or exchanging real estate for another person; or
  - (b) offering for another person to buy, sell, [~~lease, manage,~~] or exchange real estate.
- (3) Except as provided in Subsection 61-2f-202(1), unless an individual is licensed as a property manager, an individual may not, for consideration:
- (a) engage in property management; or
  - (b) offer to engage in property management on behalf of another person.

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

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

- (1)(a) Except as provided in Subsection (1)(b), a license under this chapter is not required for:
- (i) a person who as owner or lessor performs an act described in Subsection [ ~~61-2f-102(20)~~] 61-2f-102(19) with reference to real estate owned or leased by that person;
  - (ii) a regular salaried employee of the owner or lessor of real estate who, with reference to nonresidential real estate owned or leased by the employer, performs an act described in Subsection [~~61-2f-102(20)(b)~~] 61-2f-102(19)(b) or (c);

- 334 (iii) a regular salaried employee of the owner of real estate who performs property  
335 management services with reference to real estate owned by the employer, except  
336 that the employee may only manage real estate for one employer;
- 337 (iv) an individual who performs property management services for the apartments at  
338 which that individual resides in exchange for free or reduced rent on that  
339 individual's apartment;
- 340 (v) a regular salaried employee of a [~~condominium homeowners'~~] common interest  
341 association who manages real estate subject to the declaration [~~of condominium~~]  
342 covenants, conditions, and restrictions that established the [~~condominium~~  
343 ~~homeowners'~~] common interest association[~~, except that the employee may only~~  
344 ~~manage real estate for one condominium homeowners' association~~];
- 345 (vi) a regular salaried employee of a licensed property management company or real  
346 estate brokerage who performs support services, as prescribed by rule, for the  
347 property management company or real estate brokerage; or
- 348 (vii) in the event a principal broker dies, is incapacitated, or is unable to perform the  
349 duties of a principal broker, an individual qualified and designated as the  
350 commission determines by rule made in accordance with Title 63G, Chapter 3,  
351 Utah Administrative Rulemaking Act, with the concurrence of the division, as an  
352 acting principal broker:
- 353 (A) in relation to each transaction pending on the day on which the principal  
354 broker dies, becomes incapacitated, or becomes unable to perform the duties of  
355 a principal broker, including the distribution of compensation for each  
356 transaction; and
- 357 (B) until the day on which each transaction described in Subsection (1)(a)(vii)(A)  
358 is completed.
- 359 (b) Subsection (1)(a) does not exempt from licensing:
- 360 (i) an employee engaged in the sale of real estate regulated under:
- 361 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or
- 362 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 363 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57,  
364 Chapter 23, Real Estate Cooperative Marketing Act; or
- 365 (iii) an individual whose interest as an owner or lessor is obtained by that individual  
366 or transferred to that individual for the purpose of evading the application of this  
367 chapter, and not for another legitimate business reason.

- (2) A license under this chapter is not required for:
- (a) an isolated transaction or service by an individual holding an unsolicited, duly executed power of attorney from a property owner;
  - (b) subject to Subsection 61-2f-401(5), services rendered by an attorney admitted to practice law in this state in performing the attorney's duties as an attorney;
  - (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting under order of a court;
  - (d) a trustee or employee of a trustee under a deed of trust or a will;
  - (e) a public utility, officer of a public utility, or regular salaried employee of a public utility, unless performance of an act described in Subsection ~~[61-2f-102(20)]~~ 61-2f-102(19) is in connection with the sale, purchase, lease, or other disposition of real estate or investment in real estate unrelated to the principal business activity of that public utility;
  - (f) a regular salaried employee or authorized agent working under the oversight of the Department of Transportation when performing an act on behalf of the Department of Transportation in connection with one or more of the following:
    - (i) the acquisition of real estate pursuant to Section 72-5-103;
    - (ii) the disposal of real estate pursuant to Section 72-5-111;
    - (iii) services that constitute property management; or
    - (iv) the leasing of real estate; and
  - (g) a regular salaried employee of a county, city, or town when performing an act on behalf of the county, city, or town:
    - (i) in accordance with:
      - (A) if a regular salaried employee of a city or town:
        - (I) Title 10, Utah Municipal Code; or
        - (II) Title 11, Cities, Counties, and Local Taxing Units; and
      - (B) if a regular salaried employee of a county:
        - (I) Title 11, Cities, Counties, and Local Taxing Units; and
        - (II) Title 17, Counties; and
    - (ii) in connection with one or more of the following:
      - (A) the acquisition of real estate, including by eminent domain;
      - (B) the disposal of real estate;
      - (C) services that constitute property management; or
      - (D) the leasing of real estate.

- (3) A license under this chapter is not required for an individual registered to act as a broker-dealer, agent, or investment adviser under the Utah and federal securities laws in the sale or the offer for sale of real estate if:
- (a)(i) the real estate is a necessary element of a "security" as that term is defined by the Securities Act of 1933 and the Securities Exchange Act of 1934; and
  - (ii) the security is registered for sale in accordance with:
    - (A) the Securities Act of 1933; or
    - (B) Title 61, Chapter 1, Utah Uniform Securities Act; or
  - (b)(i) it is a transaction in a security for which a Form D, described in 17 C.F.R. Sec. 239.500, has been filed with the Securities and Exchange Commission pursuant to Regulation D, Rule 506, 17 C.F.R. Sec. 230.506; and
  - (ii) the selling agent and the purchaser are not residents of this state.
- (4) Except as otherwise provided by statute or rule, the following individuals may engage in the practice of an occupation or profession regulated by this chapter, subject to the stated circumstances and limitations, without being licensed under this chapter:
- (a) an individual licensed under the laws of this state, other than under this chapter, to practice or engage in an occupation or profession, while engaged in the lawful, professional, and competent practice of that occupation or profession;
  - (b) an individual serving in the armed forces of the United States, the United States Public Health Service, the United States Department of Veterans Affairs, or any other federal agency while engaged in activities regulated under this title as a part of employment with that federal agency if the individual holds a valid license to practice the regulated occupation or profession issued by any other state or jurisdiction recognized by the department; and
  - (c) the spouse of an individual serving in the armed forces of the United States while the individual is stationed within this state, if:
    - (i) the spouse holds a valid license to practice the regulated occupation or profession issued by any other state or jurisdiction recognized by the department; and
    - (ii) the license is current and the spouse is in good standing in the state or jurisdiction of licensure.
- (5) As used in this section, "owner" does not include:
- (a) a person who holds an option to purchase real property;
  - (b) a mortgagee;
  - (c) a beneficiary under a deed of trust;

(d) a trustee under a deed of trust; or

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

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

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

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

A license under this chapter is not required for:

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

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

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

- (1)(a)(i) The division shall determine whether an applicant with a criminal history qualifies for licensure.
  - (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or places a license on probation, the applicant may petition the commission for de novo review of the application.
- (b) Except as provided in Subsection (6), the commission shall determine all other qualifications and requirements of an applicant for:
  - (i) a principal broker license;
  - (ii) an associate broker license;~~[-or]~~
  - (iii) a sales agent license~~[-]~~ ; or

470           (iv) a property manager license.

471       (c) The division, with the concurrence of the commission, shall require and pass upon  
472           proof necessary to determine the honesty, integrity, truthfulness, reputation, and  
473           competency of each applicant for an initial license or for renewal of an existing  
474           license.

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

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

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

494           (B) If on the day on which an applicant for an associate broker or a principal  
495           broker license applies for the license the applicant is licensed as a real estate  
496           broker in another state, the division may require the applicant to complete a  
497           division-approved, state-specific educational program consisting of the number  
498           of hours designated by rule the commission makes in accordance with Title  
499           63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of  
500           the division.

501       (iii)(A) Except as provided in Subsection (1)(d)(iii)(B), the division shall require  
502           that an applicant for a property manager license complete the educational  
503           program described in Subsection (1)(d)(iv).

- (B) If, on the day on which an applicant for a property manager license applies for the license, the applicant is licensed as a property manager in another state, the division may require the applicant to complete a division-approved, state-specific educational program consisting of the number of hours designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.
- (iv) The division shall create an educational program for a property manager license that:
- (A) requires at least 24 hours of training;
  - (B) covers subjects the division determines necessary for the program; and
  - (C) establishes the proportion of hours allocated for each subject in the program.
- ~~[(iii)]~~ (v) An hour required by this section means 50 minutes of instruction in each 60 minutes.
- ~~[(iv)]~~ (vi) The maximum number of program hours available to an individual is eight hours per day.
- (e)(i) Except as provided in Subsection (1)(e)(ii), the division, with the concurrence of the commission, shall require an applicant to pass an examination approved by the commission covering:
- (A) the fundamentals of the English language;
  - (B) the fundamentals of arithmetic;
  - (C) the fundamentals of bookkeeping;
  - (D) the fundamentals of real estate principles and practices;
  - (E) this chapter;
  - (F) the rules established by the commission with the concurrence of the division;
- and
- (G) any other aspect of Utah real estate license law considered appropriate.
- (ii) If on the day on which an applicant applies for a license the applicant is licensed as a real estate broker or a sales agent in another state, the division may, with the concurrence of the commission, require the applicant to pass a division-approved, state-specific examination rather than the examination required under Subsection (1)(e)(i).
- (iii) Subject to Subsection (1)(e)(iv), the division, with the concurrence of the commission, may modify the length and material of an examination for a property



- 538           manager license under this chapter if:
- 539           (A) an applicant is licensed as a property manager in another state;
- 540           (B) the division determines an applicant's prior experience warrants a modification
- 541           of the examination; or
- 542           (C) the division determines the applicant has good cause for the modification of
- 543           the examination.
- 544           (iv) An examination for a property manager license shall:
- 545               (A) cover the topics that appear in the educational program described in
- 546               Subsection (1)(d)(iv); and
- 547               (B) match the proportion of questions for each topic to the proportion of hours
- 548               designated by the division in accordance with Subsection (1)(d)(iv)(C).
- 549           (f)(i) Three years' full-time experience as a sales agent or [its] the equivalent is
- 550               required before an applicant may apply for, and secure a principal broker or
- 551               associate broker license in this state.
- 552           (ii) The commission shall establish by rule made in accordance with Title 63G,
- 553               Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the
- 554               division, the criteria by which the commission will accept experience or special
- 555               education in similar fields of business in lieu of the three years' experience.
- 556           (2)(a) The division, with the concurrence of the commission, may require an applicant to
- 557               furnish a sworn statement setting forth evidence satisfactory to the division of the
- 558               applicant's reputation and competency as set forth by rule.
- 559           (b) The division shall require an applicant to provide the applicant's social security
- 560               number, which is a private record under Subsection 63G-2-302(1)(i).
- 561           (3)(a) An individual who is not a resident of this state may be licensed in this state if the [
- 562               ~~person~~] individual complies with this chapter.
- 563           (b) An individual who is not a resident of this state may be licensed as an associate
- 564               broker or sales agent in this state by:
- 565               (i) complying with this chapter; and
- 566               (ii) being employed or engaged as an independent contractor by or on behalf of a
- 567               principal broker who is licensed in this state, regardless of whether the principal
- 568               broker is a resident of this state.
- 569           (4) The division, with the concurrence of the commission, may enter into a reciprocal
- 570               licensing agreement with another jurisdiction for the licensure of a principal broker, an
- 571               associate broker, or a sales agent, if the jurisdiction's requirements and standards for the

license are substantially similar to those of this state.

(5)(a) The division and commission shall treat an application to be relicensed of an applicant whose real estate license is revoked as an original application.

(b) In the case of an applicant for a new license as a principal broker or associate broker, the applicant is not entitled to credit for experience gained before the revocation of a real estate license.

(6)(a) Notwithstanding Subsection (1)(b), the commission may delegate to the division the authority to:

(i) review a class or category of applications for initial or renewed licenses;

(ii) determine whether an applicant meets the licensing criteria in Subsection (1); and

(iii) approve or deny a license application without concurrence by the commission.

(b)(i) If the commission delegates to the division the authority to approve or deny an application without concurrence by the commission and the division denies an application for licensure, the applicant who is denied licensure may petition the commission for de novo review of the application.

(ii) An applicant who is denied licensure pursuant to this Subsection (6) may seek agency review by the executive director only after the commission has reviewed the division's denial of the applicant's application.

(7) An individual with an active broker, associate broker, or sales agent license may obtain a property manager license without:

(a) meeting the education requirement described in Subsection (1)(d)(iii); or

(b) passing an exam required for a property manager license under Subsection (1)(e).

Section 7. Section **61-2f-204** is amended to read:

**61-2f-204 . Licensing fees and procedures -- Renewal fees and procedures.**

(1)(a) Upon filing an application for an examination for a license under this chapter, the applicant shall pay a nonrefundable fee established in accordance with Section 63J-1-504 for admission to the examination.

(b) An applicant for a principal broker, associate broker, ~~[or]~~ sales agent, or property manager license shall pay a nonrefundable fee as determined by the commission with the concurrence of the division under Section 63J-1-504 for issuance of an initial license or license renewal.

(c) ~~[A license issued under this Subsection (1) shall be issued]~~ The division shall issue a license under this Subsection (1) for a period of not less than two years as the division determines with the concurrence of the commission.

606 (d)(i) Each of the following applicants shall comply with this Subsection (1)(d):

607 (A) a new sales agent applicant;

608 (B) a principal broker applicant;~~[-and]~~

609 (C) an associate broker applicant~~[-]~~ ; and

610 (D) a property manager applicant.

611 (ii) An applicant described in this Subsection (1)(d) shall at the time the [licensee]  
612 applicant files an application:

613 (A) submit to the division fingerprint cards in a form acceptable to the Department  
614 of Public Safety;

615 (B) submit to the division a signed waiver in accordance with Subsection  
616 53-10-108(4), acknowledging the registration of the applicant's fingerprints in  
617 the Federal Bureau of Investigation Next Generation Identification System's  
618 Rap Back Service~~[-beginning January 1, 2020]~~;

619 (C) consent to a criminal background check by the Utah Bureau of Criminal  
620 Identification and the Federal Bureau of Investigation; and

621 (D) pay the fee the division establishes in accordance with Subsection ~~[(1)(d)(vi)]~~  
622 (1)(d)(iv).

623 (iii) The Bureau of Criminal Identification shall:

624 (A) check the fingerprints an applicant submits under Subsection (1)(d)(ii) against  
625 the applicable state, regional, and national criminal records databases, including~~[~~  
626 ~~, beginning January 1, 2020,~~ the Federal Bureau of Investigation Next  
627 Generation Identification System;

628 (B) report the results of the background check to the division;

629 (C) maintain a separate file of fingerprints that applicants submit under Subsection  
630 (1)(d) for search by future submissions to the local and regional criminal  
631 records databases, including latent prints;

632 (D) request that~~[-beginning January 1, 2020,~~ the fingerprints be retained in the  
633 Federal Bureau of Investigation Next Generation Identification System's Rap  
634 Back Service for search by future submissions to national criminal records  
635 databases, including the Next Generation Identification System and latent  
636 prints; and

637 (E) ensure that the division only receives notifications for an individual with  
638 whom the division maintains permission to receive notifications.

639 (iv)(A) The division shall assess an applicant who submits fingerprints under this

- 640 Subsection (1)(d) or (2)(f) a fee in an amount that the division sets in  
641 accordance with Section 63J-1-504 for services that the division and the  
642 Bureau of Criminal Identification or another authorized agency provide under  
643 this Subsection (1)(d) or (2)(f).
- 644 (B) The Bureau of Criminal Identification may collect from the division money  
645 for services provided under this section.
- 646 (v) Money paid to the division by an applicant for the cost of the criminal  
647 background check is nonlapsing.
- 648 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
649 and with the concurrence of the division, the commission may make rules for the  
650 administration of this Subsection (1)(d) and Subsection (2)(f) regarding criminal  
651 background checks with ongoing monitoring.
- 652 (e)(i) A license issued under Subsection (1)(d) is conditional, pending completion of  
653 the criminal background check.
- 654 (ii) If a criminal background check discloses that an applicant fails to accurately  
655 disclose a criminal history, the division:
- 656 (A) shall review the application; and
- 657 (B) in accordance with rules made by the division pursuant to Title 63G, Chapter  
658 3, Utah Administrative Rulemaking Act, may:
- 659 (I) place a condition on a license;
- 660 (II) place a restriction on a license;
- 661 (III) revoke a license; or
- 662 (IV) refer the application to the commission for a decision.
- 663 (iii)(A) ~~[A person]~~ An individual whose conditional license is conditioned,  
664 restricted, or revoked under Subsection (1)(e)(ii) may have a hearing after the  
665 action is taken to challenge the action.
- 666 (B) The division shall conduct a hearing described in Subsection (1)(e)(iii)(A) in  
667 accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 668 (iv) The director shall designate one of the following to act as the presiding officer in  
669 a hearing described in Subsection (1)(e)(iii)(A):
- 670 (A) the division; or
- 671 (B) the division with the concurrence of the commission.
- 672 (v) The presiding officer shall decide whether to grant relief from an action under this  
673 Subsection (1)(e)~~[is granted]~~.

- 674 (vi) If a license is revoked or a revocation under this Subsection (1)(e) is upheld after  
675 a hearing, the individual may not apply for a new license until at least 12 months  
676 after the day on which the license is revoked.
- 677 (2)(a)(i) A license expires if ~~[it]~~ the license is not renewed on or before the expiration  
678 date of the license.
- 679 (ii) As a condition of renewal, an active licensee shall demonstrate competence by  
680 completing 18 hours of continuing education within a two-year renewal period  
681 subject to rules made by the commission, with the concurrence of the division.
- 682 (iii) In making a rule described in Subsection (2)(c)(ii), the division and commission  
683 shall consider:
- 684 (A) evaluating continuing education ~~[on the basis of]~~ based on competency, rather  
685 than course time;
- 686 (B) allowing completion of courses in a significant variety of topic areas that the  
687 division and commission determine are valuable in assisting an individual  
688 licensed under this chapter to increase the individual's competency; and
- 689 (C) allowing completion of courses that will increase a licensee's professional  
690 competency in the area of practice of the licensee.
- 691 (iv) The division may award credit to a licensee for a continuing education  
692 requirement of this Subsection (2)(a) for a reasonable ~~[period of time]~~ time period  
693 upon a finding of reasonable cause, including:
- 694 (A) military service; or
- 695 (B) if an individual is elected or appointed to government service, the individual's  
696 government service during which the individual spends a substantial time  
697 addressing real estate issues subject to conditions established by rule made in  
698 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 699 (b) For a period of 30 days after the day on which a license expires, ~~[the license may be~~  
700 ~~reinstated]~~ the division may reinstate the license:
- 701 (i) if the applicant's license was inactive on the day on which the applicant's license  
702 expired, upon payment of a renewal fee and a late fee determined by the  
703 commission with the concurrence of the division under Section 63J-1-504; or
- 704 (ii) if the applicant's license was active on the day on which the applicant's license  
705 expired, upon payment of a renewal fee and a late fee determined by the  
706 commission with the concurrence of the division under Section 63J-1-504, and  
707 providing proof acceptable to the division and the commission of the licensee

- 708 having:
- 709 (A) completed the hours of education required by Subsection (2)(a); or
- 710 (B) demonstrated competence as required under Subsection (2)(a).
- 711 (c) After the 30-day period described in Subsection (2)(b), and until one year after the
- 712 day on which an active or inactive license expires, the division may reinstate the
- 713 license [may be reinstated by] if the applicant:
- 714 (i) ~~[paying]~~ pays a renewal fee and a late fee determined by the commission with the
- 715 concurrence of the division under Section 63J-1-504; and
- 716 (ii) ~~[providing]~~ provides proof acceptable to the division and the commission of the
- 717 licensee having:
- 718 (A) completed the hours of education required by Subsection (2)(a); or
- 719 (B) demonstrated competence as required under Subsection (2)(a).
- 720 (d) The division shall relicense ~~[a person]~~ an individual who does not renew that ~~[person's]~~
- 721 individual's license within one year as prescribed for an original application.
- 722 (e) Notwithstanding Subsection (2)(a), the division may extend the term of a license that
- 723 would expire under Subsection (2)(a) except for the extension if:
- 724 (i)(A) the ~~[person]~~ individual complies with the requirements of this section to
- 725 renew the license; and
- 726 (B) the renewal application remains pending at the time of the extension; or
- 727 (ii) at the time of the extension, there is pending a disciplinary action under this
- 728 chapter.
- 729 (f) ~~[Beginning January 1, 2020, each]~~ Each applicant for renewal or reinstatement of a
- 730 license to practice as a sales agent, principal broker, ~~[or]~~ associate broker, or a
- 731 property manager, who is not already subject to ongoing monitoring of the
- 732 individual's criminal history shall, at the time the application for renewal or
- 733 reinstatement is filed:
- 734 (i) submit fingerprint cards in a form acceptable to the Department of Public Safety;
- 735 (ii) submit to the division a signed waiver in accordance with Subsection
- 736 53-10-108(4), acknowledging the registration of the applicant's fingerprints in the
- 737 Federal Bureau of Investigation Next Generation Identification System's Rap
- 738 Back Service;
- 739 (iii) consent to a fingerprint background check by the Utah Bureau of Criminal
- 740 Identification and the Federal Bureau of Investigation; and
- 741 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).

(3)(a) As a condition for the activation of an inactive license that was in an inactive status at the time of the licensee's most recent renewal, the licensee shall supply the division with proof of:

- (i) successful completion of the respective sales agent or principal broker licensing examination within six months before the day on which the licensee applies to activate the license; or
- (ii) the successful completion of the hours of continuing education that the licensee would have been required to complete under Subsection (2)(a) if the license had been on active status at the time of the licensee's most recent renewal.

(b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the division, establish by rule:

- (i) the nature or type of continuing education required for reactivation of a license; and
- (ii) how long before reactivation the continuing education must be completed.

Section 8. Section **61-2f-206** is amended to read:

**61-2f-206 . Registration of person or branch office -- Certification of education providers and courses -- Specialized licenses.**

(1)(a) A person may not engage in an activity described in Section 61-2f-201, unless the person is registered with the division.

(b) To register with the division under this Subsection (1), a person shall submit to the division:

- (i) an application in a form required by the division;
- (ii) evidence of an affiliation with a principal broker;
- (iii) evidence that the person is registered and in good standing with the Division of Corporations and Commercial Code; and
- (iv) a registration fee established by the commission with the concurrence of the division under Section 63J-1-504.

(c) The division may terminate a person's registration if:

- (i) the person's registration with the Division of Corporations and Commercial Code has been expired for at least three years; and
- (ii) the person's license with the division has been inactive for at least three years.

(2)(a) A principal broker shall register with the division each of the principal broker's branch offices.

(b) To register a branch office with the division under this Subsection (2), a principal

broker shall submit to the division:

(i) an application in a form required by the division; and

(ii) a registration fee established by the commission with the concurrence of the division under Section 63J-1-504.

(3)(a) In accordance with rules made by the commission with the concurrence of the division and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall certify:

(i) a real estate school;

(ii) a course provider; or

(iii) an instructor.

(b) In accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the division, the division shall certify a continuing education course that is required under this chapter.

(4) Except as provided under this chapter or by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, a principal broker may not be responsible for more than one registered entity at the same time.

(5) A principal broker:

(a) shall exercise active and reasonable supervision of the principal broker's main office in accordance with this chapter and rules the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

(b) may supervise a branch office affiliated with the principal broker at the same time the principal broker exercises the supervision required under Subsection (5)(a).

(6)(a) A principal broker may designate a branch broker to supervise a branch office affiliated with the principal broker.

(b) A branch broker shall exercise active and reasonable supervision, in accordance with this chapter and rules the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, of each branch office the principal broker designates the branch broker to supervise.

~~[(7)(a) In addition to issuing a principal broker license, associate broker license, or sales agent license authorizing the performance of an act set forth in Section 61-2f-201, the division may issue a specialized sales license or specialized property management license with the scope of practice limited to the specialty.]~~

~~[(b) An individual may hold a specialized license in addition to a license as a principal~~



broker, associate broker, or a sales agent.]

[(e) A sales agent who is affiliated with a dual broker may act as a property management sales agent if:]

[(i) the dual broker designates the sales agent as a property management sales agent; and]

[(ii) the sales agent pays to the division a property management sales agent designation fee in an amount determined by the division in accordance with Section 63J-1-504.]

[(d) A property management sales agent may simultaneously provide both property management services and real estate sales services under the supervision of a dual broker as provided by the commission with the concurrence of the division by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.]

[(8) The commission may determine, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the division, licensing requirements related to this section for a principal broker, associate broker, sales agent, dual broker, property management sales agent, or for a specialized license described in Subsection (7), including:]

[(a) prelicensing and postlicensing education requirements;]

[(b) examination requirements;]

[(c) affiliation with real estate brokerages or property management companies;]

[(d) property management sales agent:]

[(i) designation procedures;]

[(ii) allowable scope of practice; and]

[(iii) division fees;]

[(e) what constitutes active and reasonable supervision for:]

[(i) a principal broker when supervising a branch broker or sales agent; and]

[(ii) a branch broker when supervising a sales agent; and]

[(f) other licensing procedures.]

Section 9. Section **61-2f-307** is enacted to read:

**61-2f-307 . Rights and privileges of a property manager to fill out a form or document.**

A property manager may fill out any form, contract, or lease agreement associated with the renting and management of real property.

Section 10. Section **61-2f-411** is enacted to read:

**61-2f-411 . Enforcement related to a property manager.**

- (1) Nothing in this section applies to an individual:
- (a) buying, selling, or exchanging real estate for another person; or
  - (b) offering to buy, sell, or exchange real estate for another person.
- (2) When engaging in property management, a property manager may:
- (a) solicit referrals for clients, owners, customers, and renters;
  - (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for referring a prospective client;
  - (c) accept a referral fee from an individual, whether licensed or unlicensed;
  - (d) contract for services, pay bills, and act on behalf of an owner as provided in a management agreement; and
  - (e) advertise properties for rent or lease.
- (3) Except as provided in Subsection (4), a property manager shall associate with at least one real estate trust account in a bank or credit union:
- (a) located within the state;
  - (b) that, unless otherwise modified by a contract for property management, one or more property managers use for the purpose of securing:
    - (i) tenant security deposits;
    - (ii) rent;
    - (iii) money tendered by a property owner as a reserve fund or for payment of an unexpected expense; and
    - (iv) any other purpose designated by the commission; and
  - (c) that is non-interest bearing, unless the parties to a property management contract:
    - (i) agree in writing to deposit the funds in an interest-bearing account;
    - (ii) designate in writing the individuals to whom the parties will pay the interest on completion or failure of the property management contract; and
    - (iii) ensure that the parties and trust account comply with any other rules established by the commission or division.
- (4) A property manager who obtains and holds a security bond that protects at least 30% of the estimated client funds the property manager holds in the property manager's bank accounts is not required to be associated with a trust account.

**Section 11. Effective Date.**

This bill takes effect on January 1, 2026.