

HB0096S01 compared with HB0096

~~{Omitted text}~~ shows text that was in HB0096 but was omitted in HB0096S01

inserted text shows text that was not in HB0096 but was inserted into HB0096S01

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1

Fraud Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul A. Cutler

Senate Sponsor: Heidi Balderree

2

3 LONG TITLE

4 General Description:

5 This bill addresses the criminal offense of defrauding of creditors.

6 Highlighted Provisions:

7 This bill:

8 ▶ amends the criminal offense of defrauding of creditors to increase the penalty for the offense based on the value of the fraud; and

10 ▶ makes technical and conforming changes.

11 Money Appropriated in this Bill:

12 None

13 Other Special Clauses:

14 None

16 AMENDS:

17 **76-6-511**, as last amended by Laws of Utah 2023, Chapter 111, as last amended by Laws of Utah
2023, Chapter 111

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

20 Section 1. Section **76-6-511** is amended to read:

21 **76-6-511. Defrauding of creditors.** ~~<compare mode="add">(Compare Error)</compare>~~

22 (1) Terms defined in Section 76-1-101.5 apply to this section.

23 (2) An actor commits defrauding of creditors if the actor:

24 (a) destroys, removes, conceals, encumbers, transfers, or otherwise deals with property subject to a security interest with a purpose to:

26 (i) ~~[-]hinder enforcement of [that] the security interest; and~~

27 ~~(ii) deprive the secured party of lawful possession of the property; or~~

28 (b) knowing that proceedings have been or are about to be instituted for the appointment of a person entitled to administer property for the benefit of creditors:

30 (i) destroys, removes, conceals, encumbers, transfers, or otherwise deals with any property with a purpose to defeat or obstruct the claim of any creditor, or otherwise to obstruct the operation of any law relating to administration of property for the benefit of creditors; or

34 (ii) presents to any creditor or to an assignee for the benefit of creditors, orally or in writing, any statement relating to the debtor's estate, knowing that a material part of such statement is false.

37 (3)

(a) A violation of Subsection ~~[(2)] (2)(a) or (2)(b)(i)~~ is:

38 ~~{(i) a class B misdemeanor if the unpaid balance owed to the creditor on the property at the time of the act described in Subsection (2) is less than \$500;}~~

40 ~~(ii) [-]a class A misdemeanor if the unpaid balance owed to the creditor on the property at the time of the act described in Subsection (2) is or exceeds \$500 but is less than \$1,500;~~

43 ~~{(iii) a third degree felony if the unpaid balance owed to the creditor on the property at the time of the act described in Subsection (2) is or exceeds \$1,500 but is less than \$5,000; or}~~

46 ~~(iv) a second degree felony if the unpaid balance owed to the creditor on the property at the time of the act described in Subsection (2) is or exceeds \$5,000.~~

48 ~~{(b) A violation of Subsection (2)(b)(ii) is a class A misdemeanor.}~~

49 (4) This section ~~[may not be construed to]~~ does not impose criminal or civil liability on ~~[any]~~ a law enforcement officer acting within the scope of a criminal investigation.

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- (5) The forfeiture of property under this section, including any seizure and disposition of the property and any related judicial or administrative proceeding, shall be conducted in accordance with Title 77, Chapter 11a, Seizure of Property and Contraband, through Chapter 11c, Retention of Evidence.

50 Section 2. **Effective date.**

This bill takes effect on May 7, 2025.

2-21-25 8:52 AM