

HB0337S02 compared with HB0337S01

{Omitted text} shows text that was in HB0337S01 but was omitted in HB0337S02
inserted text shows text that was not in HB0337S01 but was inserted into HB0337S02

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Property Manager Requirements
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Jordan D. Teuscher
Senate Sponsor:

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;

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- 20 ▶ repeals provisions authorizing certain individuals to act as a property manager;
- 21 ▶ authorizes a property manager to fill out any form or document related to property management;
- 23 ▶ provides parameters for what a property manager may do when engaging in property
management;
- 25 ▶ requires that a property manager associate with a real estate trust account;
- 26 ▶ 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
- 28 ▶ makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30 None

31 This bill provides a special effective date.

34 **AMENDS:**

35 **61-2f-102** , as last amended by Laws of Utah 2024, Chapter 227 , as last amended by Laws of Utah
2024, Chapter 227

36 **61-2f-103** , as last amended by Laws of Utah 2022, Chapter 204 , as last amended by Laws of Utah
2022, Chapter 204

37 **61-2f-201** , as renumbered and amended by Laws of Utah 2010, Chapter 379 , as renumbered and
amended by Laws of Utah 2010, Chapter 379

38 **61-2f-202** , as last amended by Laws of Utah 2022, Chapter 204 , as last amended by Laws of Utah
2022, Chapter 204

39 **61-2f-203** , as last amended by Laws of Utah 2022, Chapter 204 , as last amended by Laws of Utah
2022, Chapter 204

40 **61-2f-204** , as last amended by Laws of Utah 2022, Chapter 204 , as last amended by Laws of Utah
2022, Chapter 204

41 **61-2f-206** , as last amended by Laws of Utah 2022, Chapter 204 , as last amended by Laws of Utah
2022, Chapter 204

42 **ENACTS:**

43 ~~**61-2f-202.5** , **Utah Code Annotated 1953** , **Utah Code Annotated 1953**}~~

43 **61-2f-202.5** , **Utah Code Annotated 1953** , **Utah Code Annotated 1953**

44 ~~**61-2f-307** , **Utah Code Annotated 1953** , **Utah Code Annotated 1953**}~~

44 **61-2f-307** , **Utah Code Annotated 1953** , **Utah Code Annotated 1953**

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45 ~~{61-2f-411, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
46 ~~61-2f-411, Utah Code Annotated 1953, Utah Code Annotated 1953~~

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

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

49 **61-2f-102. Definitions.**

As used in this chapter:

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

52 (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

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

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

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

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

61 (a) a Saturday;

62 (b) a Sunday; or

63 (c) a federal or state holiday.

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

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

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

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

71 (9)

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

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

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

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

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- 77 (12) "Division" means the Division of Real Estate.
- 78 [~~(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.]
- 82 [~~(14)~~] (13) "Entity" means:
- 83 (a) a corporation;
- 84 (b) a partnership;
- 85 (c) a limited liability company;
- 86 (d) a company;
- 87 (e) an association;
- 88 (f) a joint venture;
- 89 (g) a business trust;
- 90 (h) a trust; or
- 91 (i) any organization similar to an entity described in Subsections [~~(14)(a)~~] (13)(a) through (h).
- 93 [~~(15)~~] (14) "Executive director" means the director of the Department of Commerce.
- 94 [~~(16)~~] (15) "Foreclosure rescue" means, for compensation or with the expectation of receiving valuable
consideration~~[, to:]~~ :
- 96 [~~(a) engage, or offer to engage, in-~~]
- 97 (a) an act that:
- 98 (i) the person represents will assist a borrower in preventing a foreclosure; and
- 99 (ii) relates to a transaction involving the transfer of title to residential real property; or
- 100 (b) as an employee or agent of another person:
- 101 (i) [~~solicit, or offer~~] a solicitation or an offer that the other person will engage in an act described in
Subsection [~~(16)(a)~~] (15)(a); or
- 103 (ii) [~~negotiate~~] negotiation of the terms in relationship to an act described in Subsection [~~(16)(a)~~] (15)
(a).
- 105 [~~(17)~~] (16) "Loan modification assistance" means, for compensation or with the expectation of
receiving valuable consideration~~[, to:]~~:
- 107 (a) [~~act,~~] an act, or an offer to act, on behalf of a person to:
- 108 (i) obtain a loan term of a residential mortgage loan that is different from an existing loan term
including:

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- 110 (A) an increase or decrease in an interest rate;
- 111 (B) a change to the type of interest rate;
- 112 (C) an increase or decrease in the principal amount of the residential mortgage loan;
- 114 (D) a change in the number of required period payments;
- 115 (E) an addition of collateral;
- 116 (F) a change to, or addition of, a prepayment penalty;
- 117 (G) an addition of a cosigner; or
- 118 (H) a change in persons obligated under the existing residential mortgage loan; or
- 119 (ii) a substitute of a new residential mortgage loan for an existing residential mortgage loan; or
- 121 (b) as an employee or agent of another person:
- 122 (i) [~~solicit, or offer~~] a solicitation or an offer that the other person will engage in an act described in Subsection [(17)(a)] (16)(a); or
- 124 (ii) [~~negotiate~~] negotiation of the terms in relationship to an act described in Subsection [(17)(a)] (16)(a).
- 126 [(18)] (17) "Main office" means the address [~~which~~] that a principal broker designates with the division as the principal broker's primary brokerage office.
- 128 [(19)] (18) "Person" means an individual or entity.
- 129 [(20)] (19) "Principal broker" means an individual who[-] :
- 130 (a) is licensed or required to be licensed as a principal broker under this chapter[~~-who:~~] ; and
- 132 [(a)] (b)
- . (i) sells or lists for sale real estate, including real estate being sold as part of a foreclosure rescue, or a business opportunity with the expectation of receiving valuable consideration;
- 135 [(b)] (ii) buys, exchanges, or auctions real estate, an option on real estate, a business opportunity, or an improvement on real estate with the expectation of receiving valuable consideration;
- 138 [(c)] (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged in the business described in Subsection [(20)(a)] (19)(a) or (b)(ii);
- 140 [(d)] (iv) is employed by or on behalf of the owner of real estate or by a prospective purchaser of real estate and performs an act described in Subsection [(20)(a)-] (19)(b)(i), whether the individual's compensation is at a stated salary, a commission basis, upon a salary and commission basis, or otherwise;

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- [~~(e)~~] (v) with the expectation of receiving valuable consideration, manages property owned by another person;
- 146 [~~(f)~~] (vi) advertises or otherwise holds the individual out to be engaged in property management;
- 148 [~~(g)~~] (vii) with the expectation of receiving valuable consideration, assists or directs in the procurement of prospects for or the negotiation of a transaction listed in Subsections [~~(20)(a)~~] (19)(b)(i) and [~~(e)~~] (v);
- 151 [~~(h)~~] (viii) except for a mortgage lender, title insurance producer, or an employee of a mortgage lender or title insurance producer, assists or directs in the closing of a real estate transaction with the expectation of receiving valuable consideration;
- 154 [~~(i)~~] (ix) engages in foreclosure rescue; or
- 155 [~~(j)~~] (x) advertises, offers, attempts, or otherwise holds the person out as being engaged in foreclosure rescue.
- 157 [~~(21)~~] (20)
- . (a) "Property management" means [~~engaging in~~] the management of real estate owned by another person, with the expectation of receiving valuable consideration, [~~the management of real estate owned by another person~~] or advertising or otherwise claiming to be engaged in [~~property management~~] the management of real estate owned by another person, by:
- 162 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or participating in a transaction calculated to secure the rental or leasing of real estate;
- 164 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real estate [~~and accounting for and disbursing the money collected~~]; or
- 166 (iii) [~~authorizing expenditures for repairs to the real estate~~] signing a lease agreement or an addendum with a tenant.
- 168 (b) "Property management" does not include:
- 169 (i) hotel or motel management;
- 170 (ii) rental of tourist accommodations, including hotels, motels, tourist homes, condominiums, condominium hotels, mobile home park accommodations, campgrounds, or similar public accommodations for a period of less than 30 consecutive days, and the management activities associated with these rentals; or
- 174 (iii) the leasing or management of surface or subsurface minerals or oil and gas interests, if the leasing or management is separate from a sale or lease of the surface estate.

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- 177 [~~(22)~~ "Property management sales agent" means a sales agent who:]
178 [~~(a)~~ is affiliated with a dual broker through the dual broker's property management company; and]
180 [~~(b)~~ is designated by the dual broker as a property management sales agent.]
181 (21) "Property manager" means an individual who:
182 (a) is licensed or required to be licensed as a property manager under this chapter; and
183 (b)
. (i) engages in property management; or
184 (ii) advertises or otherwise holds the individual out to be engaged in property management.
186 [~~(23)~~ (22) "Real estate" includes leaseholds and business opportunities involving real property.
188 [~~(24)~~ (23)
. (a) "Regular salaried employee" means an individual:
189 (i) who performs a service for wages or other remuneration[;]; and
190 (ii) whose employer withholds federal employment taxes under a contract of hire, written or oral,
express or implied.
192 (b) "Regular salaried employee" does not include an individual who performs services on a project-by-
project basis or on a commission basis.
194 [~~(25)~~ (24) "Reinstatement" means [~~restoring~~] the restoration of a license that has expired or has been
suspended.
196 [~~(26)~~ (25) "Reissuance" means the process by which [~~a licensee~~] an individual may obtain a license
following revocation of the license.
198 [~~(27)~~ (26) "Renewal" means [~~extending~~] the extension of a license for an additional licensing period on
or before the date the license expires.
200 [~~(28)~~ (27) "Sales agent" means an individual who is:
201 (a) affiliated with a principal broker, either as an independent contractor or an employee as provided in
Section 61-2f-303, to perform for valuable consideration an act described in Subsection [~~(20)~~] (19);
and
204 (b) licensed, or required to be licensed, under this chapter as a sales agent.
205 [~~(29)~~ (28) "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.
206 Section 2. Section **61-2f-103** is amended to read:
207 **61-2f-103. Real Estate Commission.**
208 (1) There is created within the division a Real Estate Commission.

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- 209 (2) The commission shall:
- 210 (a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, make rules for the administration of this chapter that are not
inconsistent with this chapter, including:
- 213 (i) licensing of:
- 214 (A) a principal broker;
- 215 (B) an associate broker; [~~and~~]
- 216 (C) a sales agent; and
- 217 (D) a property manager;
- 218 (ii) registration of:
- 219 (A) an entity;
- 220 (B) an assumed name under which a person conducts business;
- 221 (C) a branch office; and
- 222 (D) a property management company;
- 223 (iii) prelicensing and postlicensing education curricula;
- 224 (iv) examination procedures;
- 225 (v) the certification and conduct of:
- 226 (A) a real estate school;
- 227 (B) a course provider; or
- 228 (C) an instructor;
- 229 (vi) proper handling of money received by a licensee under this chapter;
- 230 (vii) brokerage office procedures and recordkeeping requirements;
- 231 (viii) property management;
- 232 (ix) standards of conduct for a licensee under this chapter;
- 233 (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;
- 235 (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
- 238 (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real property
transaction;

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- 240 (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;
- 243 (c) conduct an administrative hearing not delegated by the commission to an administrative law judge
or the division relating to the:
- 245 (i) licensing of an applicant;
- 246 (ii) conduct of a licensee;
- 247 (iii) the certification or conduct of a real estate school, course provider, or instructor regulated under
this chapter; or
- 249 (iv) violation of this chapter by any person;
- 250 (d) with the concurrence of the director, impose a sanction as provided in Section 61-2f-404;
- 252 (e) advise the director on the administration and enforcement of a matter affecting the division and the
real estate sales and property management industries;
- 254 (f) advise the director on matters affecting the division budget;
- 255 (g) advise and assist the director in conducting real estate seminars; and
- 256 (h) perform other duties as provided by this chapter.
- 257 (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.
- 261 (b) Subsection (3)(a) does not apply to a rule made:
- 262 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or
- 263 (ii) by the Department of Commerce or any division or other rulemaking body within the Department of
Commerce.
- 265 (4)
- . (a) The commission [~~shall be comprised~~] consists of five members appointed by the governor and
approved by the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- 268 (b) Four of the commission members shall:
- 269 (i) have at least five years' experience in the real estate business; and
- 270 (ii) hold an active principal broker, associate broker, or sales agent license.
- 271 (c) One commission member shall be a member of the general public.
- 272

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- (d) The governor may not appoint a commission member described in Subsection (4)(b) who, at the time of appointment, resides in the same county in the state as another commission member.
- 275 (e) At least one commission member described in Subsection (4)(b) shall at the time of an appointment reside in a county that is not a county of the first or second class.
- 277 (5)
- . (a) Except as required by Subsection (5)(b), as terms of current commission members expire, the governor shall appoint each new member or reappointed member to a four-year term ending June 30.
- 280 (b) [~~Notwithstanding the requirements of Subsection (5)(a), the~~] The governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of commission members are staggered so that approximately half of the commission is appointed every two years.
- 284 (c) Upon the expiration of the term of a member of the commission, the member of the commission shall continue to hold office until a successor is appointed and qualified.
- 286 (d) A commission member may not serve more than two consecutive terms.
- 287 (e) Members of the commission shall annually select one member to serve as chair.
- 288 (6) When a vacancy occurs in the membership for any reason, the governor, with the advice and consent of the Senate, shall appoint a replacement for the unexpired term.
- 290 (7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
- 292 (a) Section 63A-3-106;
- 293 (b) Section 63A-3-107; and
- 294 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- 296 (8)
- . (a) The commission shall meet at least monthly.
- 297 (b) The director may call additional meetings:
- 298 (i) at the director's discretion;
- 299 (ii) upon the request of the chair; or
- 300 (iii) upon the written request of three or more commission members.
- 301 (9) Three members of the commission constitute a quorum for the transaction of business.
- 302 (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.

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

305 **61-2f-201. License required.**

306 (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:

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

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

310 (c) advertise or assume to act as a principal broker, associate broker, or a sales agent[-] ; or

312 (d) engage in property management.

313 (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:

316 (a) buying, selling, [~~leasing, managing,~~] or exchanging real estate for another person; or

317 (b) offering for another person to buy, sell, [~~lease, manage,~~] or exchange real estate.

318 (3) Except as provided in {~~Subection~~} ~~Subsection~~ 61-2f-202(1), unless an individual is licensed as a
property manager, an individual may not, for consideration:

320 (a) engage in property management; or

321 (b) offer to engage in property management on behalf of another person.

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

323 **61-2f-202. Exempt persons and transactions.**

324 (1)

. (a) Except as provided in Subsection (1)(b), a license under this chapter is not required for:

326 (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;

329 (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);

332 (iii) a regular salaried employee of the owner of real estate who performs property management
services with reference to real estate owned by the employer, except that the employee may only
manage real estate for one employer;

335 (iv) an individual who performs property management services for the apartments at which that
individual resides in exchange for free or reduced rent on that individual's apartment;

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- 338 (v) a regular salaried employee of a condominium homeowners' association who manages
real estate subject to the declaration of condominium that established the condominium
homeowners' association, except that the employee may only manage real estate for one
condominium homeowners' association;
- 342 (vi) a regular salaried employee of a licensed property management company or real estate
brokerage who performs support services, as prescribed by rule, for the property management
company or real estate brokerage; or
- 345 (vii) in the event a principal broker dies, is incapacitated, or is unable to perform the duties of a
principal broker, an individual qualified and designated as the commission determines by rule
made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the
concurrence of the division, as an acting principal broker:
- 350 (A) in relation to each transaction pending on the day on which the principal broker dies, becomes
incapacitated, or becomes unable to perform the duties of a principal broker, including the
distribution of compensation for each transaction; and
- 354 (B) until the day on which each transaction described in Subsection (1)(a)(vii)(A) is completed.
- 356 (b) Subsection (1)(a) does not exempt from licensing:
- 357 (i) an employee engaged in the sale of real estate regulated under:
- 358 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or
- 359 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 360 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57, Chapter 23, Real
Estate Cooperative Marketing Act; or
- 362 (iii) an individual whose interest as an owner or lessor is obtained by that individual or transferred
to that individual for the purpose of evading the application of this chapter, and not for another
legitimate business reason.
- 365 (2) A license under this chapter is not required for:
- 366 (a) an isolated transaction or service by an individual holding an unsolicited, duly executed power of
attorney from a property owner;
- 368 (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;
- 370 (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting under order of a
court;

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- 372 (d) a trustee or employee of a trustee under a deed of trust or a will;
- 373 (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;
- 378 (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:
- 381 (i) the acquisition of real estate pursuant to Section 72-5-103;
- 382 (ii) the disposal of real estate pursuant to Section 72-5-111;
- 383 (iii) services that constitute property management; or
- 384 (iv) the leasing of real estate; and
- 385 (g) a regular salaried employee of a county, city, or town when performing an act on behalf of the
county, city, or town:
- 387 (i) in accordance with:
- 388 (A) if a regular salaried employee of a city or town:
- 389 (I) Title 10, Utah Municipal Code; or
- 390 (II) Title 11, Cities, Counties, and Local Taxing Units; and
- 391 (B) if a regular salaried employee of a county:
- 392 (I) Title 11, Cities, Counties, and Local Taxing Units; and
- 393 (II) Title 17, Counties; and
- 394 (ii) in connection with one or more of the following:
- 395 (A) the acquisition of real estate, including by eminent domain;
- 396 (B) the disposal of real estate;
- 397 (C) services that constitute property management; or
- 398 (D) the leasing of real estate.
- 399 (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:
- 402 (a)

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- 404 (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
- 405 (ii) the security is registered for sale in accordance with:
 - 406 (A) the Securities Act of 1933; or
 - 407 (B) Title 61, Chapter 1, Utah Uniform Securities Act; or
 - 407 (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
 - 410 (ii) the selling agent and the purchaser are not residents of this state.
- 411 (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:
 - 414 (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;
 - 417 (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
 - 423 (c) the spouse of an individual serving in the armed forces of the United States while the individual is
stationed within this state, if:
 - 425 (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
 - 427 (ii) the license is current and the spouse is in good standing in the state or jurisdiction of licensure.
- 429 (5) As used in this section, "owner" does not include:
 - 430 (a) a person who holds an option to purchase real property;
 - 431 (b) a mortgagee;
 - 432 (c) a beneficiary under a deed of trust;
 - 433 (d) a trustee under a deed of trust; or

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

436 (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.

440 Section 5. Section 5 is enacted to read:

441 **61-2f-202.5. Exempt individuals and transactions involving property management.**

A license under this chapter is not required for:

444 (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;

446 (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;

449 (3) an unlicensed or remote assistant of a property manager;

450 (4) an individual who exclusively performs the following tasks:

451 (a) maintenance and repairs on real property; or

452 (b) bookkeeping and accounting; or

453 (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).

440 Section 5. Section 5 is enacted to read:

441 **61-2f-202.5. Exempt individuals and transactions involving property management.**

A license under this chapter is not required for:

444 (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;

446 (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;

449 (3) an unlicensed or remote assistant of a property manager;

450 (4) an individual who exclusively performs the following tasks:

451 (a) maintenance and repairs on real property; or

452 (b) bookkeeping and accounting; or

453 (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).

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

456 **61-2f-203. Licensing requirements.**

457 (1)

. (a)

. (i) The division shall determine whether an applicant with a criminal history qualifies for licensure.

459 (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.

462 (b) Except as provided in Subsection (6), the commission shall determine all other qualifications and requirements of an applicant for:

464 (i) a principal broker license;

465 (ii) an associate broker license;~~[-or]~~

466 (iii) a sales agent license~~[-]~~ ; or

467 (iv) a property manager license.

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

472 (d)

. (i)

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

478 (B) If on the day on which an applicant for a sales agent license applies for the license the applicant is licensed as a real estate sales agent 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.

485 (ii)

. (A) Except as provided in Subsection (1)(d)(ii)(B), the division, with the concurrence of the commission, shall require an applicant for an associate broker or a principal broker license

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to complete a division-approved educational program consisting of not less than 120 hours, as designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.

491 (B) If on the day on which an applicant for an associate broker or a principal broker license applies for the license the applicant is licensed as a real estate broker 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.

498 (iii)

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

501 (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.

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

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

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

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

513 [~~(iii)~~] (v) An hour required by this section means 50 minutes of instruction in each 60 minutes.

515 [~~(iv)~~] (vi) The maximum number of program hours available to an individual is eight hours per day.

517 (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:

520 (A) the fundamentals of the English language;

521 (B) the fundamentals of arithmetic;

522 (C) the fundamentals of bookkeeping;

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

524 (E) this chapter;

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

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- 527 (G) any other aspect of Utah real estate license law considered appropriate.
- 528 (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).
- 533 (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 manager license under this chapter if:
- 536 (A) an applicant is licensed as a property manager in another state;
- 537 (B) the division determines an applicant's prior experience warrants a modification of the examination;
or
- 539 (C) the division determines the applicant has good cause for the modification of the examination.
- 541 (iv) An examination for a property manager license shall:
- 542 (A) cover the topics that appear in the educational program described in Subsection (1)(d)(iv); and
- 544 (B) match the proportion of questions for each topic to the proportion of hours designated by the
division in accordance with Subsection (1)(d)(iv)(C).
- 546 (f)
- . (i) Three years' full-time experience as a sales agent or [its] the equivalent is required before an
applicant may apply for, and secure a principal broker or associate broker license in this state.
- 549 (ii) The commission shall establish by rule made in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, subject to concurrence by the division, the criteria by which the
commission will accept experience or special education in similar fields of business in lieu of the
three years' experience.
- 553 (2)
- . (a) The division, with the concurrence of the commission, may require an applicant to furnish a
sworn statement setting forth evidence satisfactory to the division of the applicant's reputation and
competency as set forth by rule.
- 556 (b) The division shall require an applicant to provide the applicant's social security number, which is a
private record under Subsection 63G-2-302(1)(i).
- 558 (3)
- . (a) An individual who is not a resident of this state may be licensed in this state if the
[person] individual complies with this chapter.

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- 560 (b) An individual who is not a resident of this state may be licensed as an associate broker or sales agent
in this state by:
- 562 (i) complying with this chapter; and
- 563 (ii) being employed or engaged as an independent contractor by or on behalf of a principal broker who
is licensed in this state, regardless of whether the principal broker is a resident of this state.
- 566 (4) The division, with the concurrence of the commission, may enter into a reciprocal licensing
agreement with another jurisdiction for the licensure of a principal broker, an associate broker, or a
sales agent, if the jurisdiction's requirements and standards for the license are substantially similar to
those of this state.
- 570 (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.
- 572 (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.
- 575 (6)
- . (a) Notwithstanding Subsection (1)(b), the commission may delegate to the division the authority to:
- 577 (i) review a class or category of applications for initial or renewed licenses;
- 578 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
- 579 (iii) approve or deny a license application without concurrence by the commission.
- 580 (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.
- 584 (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.
- 587 (7) An individual with an active broker, associate broker, or sales agent license may obtain a property
manager license without:
- 589 (a) meeting the education requirement described in Subsection (1)(d)(iii); or
- 590 (b) passing an exam required for a property manager license under Subsection (1)(e).
- 591 Section 7. Section **61-2f-204** is amended to read:

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592 **61-2f-204. Licensing fees and procedures -- Renewal fees and procedures.**

593 (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.

596 (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.

600 (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.

603 (d)

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

604 (A) a new sales agent applicant;

605 (B) a principal broker applicant;~~and]~~

606 (C) an associate broker applicant~~;~~ and

607 (D) a property manager applicant.

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

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

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

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

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

620 (iii) The Bureau of Criminal Identification shall:

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

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

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- 626 (C) maintain a separate file of fingerprints that applicants submit under Subsection (1)(d) for search by
future submissions to the local and regional criminal records databases, including latent prints;
- 629 (D) request that~~[beginning January 1, 2020,]~~ the fingerprints be retained in the Federal Bureau of
Investigation Next Generation Identification System's Rap Back Service for search by future
submissions to national criminal records databases, including the Next Generation Identification
System and latent prints; and
- 634 (E) ensure that the division only receives notifications for an individual with whom the division
maintains permission to receive notifications.
- 636 (iv)
- . (A) The division shall assess an applicant who submits fingerprints under this Subsection (1)(d) or (2)
(f) a fee in an amount that the division sets in accordance with Section 63J-1-504 for services that
the division and the Bureau of Criminal Identification or another authorized agency provide under
this Subsection (1)(d) or (2)(f).
- 641 (B) The Bureau of Criminal Identification may collect from the division money for services provided
under this section.
- 643 (v) Money paid to the division by an applicant for the cost of the criminal background check is
nonlapsing.
- 645 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and with the
concurrence of the division, the commission may make rules for the administration of this
Subsection (1)(d) and Subsection (2)(f) regarding criminal background checks with ongoing
monitoring.
- 649 (e)
- . (i) A license issued under Subsection (1)(d) is conditional, pending completion of the criminal
background check.
- 651 (ii) If a criminal background check discloses that an applicant fails to accurately disclose a criminal
history, the division:
- 653 (A) shall review the application; and
- 654 (B) in accordance with rules made by the division pursuant to Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, may:
- 656 (I) place a condition on a license;
- 657 (II) place a restriction on a license;

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- 658 (III) revoke a license; or
- 659 (IV) refer the application to the commission for a decision.
- 660 (iii)
- . (A) [~~A person~~] An individual whose conditional license is conditioned, restricted, or revoked under Subsection (1)(e)(ii) may have a hearing after the action is taken to challenge the action.
- 663 (B) The division shall conduct a hearing described in Subsection (1)(e)(iii)(A) in accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 665 (iv) The director shall designate one of the following to act as the presiding officer in a hearing described in Subsection (1)(e)(iii)(A):
- 667 (A) the division; or
- 668 (B) the division with the concurrence of the commission.
- 669 (v) The presiding officer shall decide whether to grant relief from an action under this Subsection (1)(e) [~~is granted~~].
- 671 (vi) If a license is revoked or a revocation under this Subsection (1)(e) is upheld after a hearing, the individual may not apply for a new license until at least 12 months after the day on which the license is revoked.
- 674 (2)
- . (a)
- . (i) A license expires if [~~it~~] the license is not renewed on or before the expiration date of the license.
- 676 (ii) As a condition of renewal, an active licensee shall demonstrate competence by completing 18 hours of continuing education within a two-year renewal period subject to rules made by the commission, with the concurrence of the division.
- 679 (iii) In making a rule described in Subsection (2)(c)(ii), the division and commission shall consider:
- 681 (A) evaluating continuing education [~~on the basis of~~] based on competency, rather than course time;
- 683 (B) allowing completion of courses in a significant variety of topic areas that the division and commission determine are valuable in assisting an individual licensed under this chapter to increase the individual's competency; and
- 686 (C) allowing completion of courses that will increase a licensee's professional competency in the area of practice of the licensee.
- 688

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(iv) The division may award credit to a licensee for a continuing education requirement of this Subsection (2)(a) for a reasonable [~~period of time~~] time period upon a finding of reasonable cause, including:

- 691 (A) military service; or
- 692 (B) if an individual is elected or appointed to government service, the individual's government service during which the individual spends a substantial time addressing real estate issues subject to conditions established by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 696 (b) For a period of 30 days after the day on which a license expires, [~~the license may be reinstated~~] the division may reinstate the license:
- 698 (i) if the applicant's license was inactive on the day on which the applicant's license expired, upon payment of a renewal fee and a late fee determined by the commission with the concurrence of the division under Section 63J-1-504; or
- 701 (ii) if the applicant's license was active on the day on which the applicant's license expired, upon payment of a renewal fee and a late fee determined by the commission with the concurrence of the division under Section 63J-1-504, and providing proof acceptable to the division and the commission of the licensee having:
- 706 (A) completed the hours of education required by Subsection (2)(a); or
- 707 (B) demonstrated competence as required under Subsection (2)(a).
- 708 (c) After the 30-day period described in Subsection (2)(b), and until one year after the day on which an active or inactive license expires, the division may reinstate the license [~~may be reinstated by~~] if the applicant:
- 711 (i) [~~paying~~] pays a renewal fee and a late fee determined by the commission with the concurrence of the division under Section 63J-1-504; and
- 713 (ii) [~~providing~~] provides proof acceptable to the division and the commission of the licensee having:
- 715 (A) completed the hours of education required by Subsection (2)(a); or
- 716 (B) demonstrated competence as required under Subsection (2)(a).
- 717 (d) The division shall relicense [~~a person~~] an individual who does not renew that [~~person's~~] individual's license within one year as prescribed for an original application.
- 719 (e) Notwithstanding Subsection (2)(a), the division may extend the term of a license that would expire under Subsection (2)(a) except for the extension if:

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- 721 (i)
. (A) the ~~[person]~~ individual complies with the requirements of this section to renew the license; and
723 (B) the renewal application remains pending at the time of the extension; or
724 (ii) at the time of the extension, there is pending a disciplinary action under this chapter.
726 (f) ~~[Beginning January 1, 2020, each]~~ Each applicant for renewal or reinstatement of a license to
practice as a sales agent, principal broker, ~~[or]~~ associate broker, or a property manager, who is
not already subject to ongoing monitoring of the individual's criminal history shall, at the time the
application for renewal or reinstatement is filed:
- 731 (i) submit fingerprint cards in a form acceptable to the Department of Public Safety;
732 (ii) submit to the division a signed waiver in accordance with Subsection 53-10-108(4), acknowledging
the registration of the applicant's fingerprints in the Federal Bureau of Investigation Next Generation
Identification System's Rap Back Service;
736 (iii) consent to a fingerprint background check by the Utah Bureau of Criminal Identification and the
Federal Bureau of Investigation; and
738 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
739 (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:
- 742 (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
745 (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.
- 748 (b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
Act, subject to concurrence by the division, establish by rule:
- 750 (i) the nature or type of continuing education required for reactivation of a license; and
752 (ii) how long before reactivation the continuing education must be completed.
- 753 Section 8. Section **61-2f-206** is amended to read:
754 **61-2f-206. Registration of person or branch office -- Certification of education providers and
courses -- Specialized licenses.**
756 (1)

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- . (a) A person may not engage in an activity described in Section 61-2f-201, unless the person is registered with the division.
- 758 (b) To register with the division under this Subsection (1), a person shall submit to the division:
- 760 (i) an application in a form required by the division;
- 761 (ii) evidence of an affiliation with a principal broker;
- 762 (iii) evidence that the person is registered and in good standing with the Division of Corporations and Commercial Code; and
- 764 (iv) a registration fee established by the commission with the concurrence of the division under Section 63J-1-504.
- 766 (c) The division may terminate a person's registration if:
- 767 (i) the person's registration with the Division of Corporations and Commercial Code has been expired for at least three years; and
- 769 (ii) the person's license with the division has been inactive for at least three years.
- 770 (2)
- . (a) A principal broker shall register with the division each of the principal broker's branch offices.
- 772 (b) To register a branch office with the division under this Subsection (2), a principal broker shall submit to the division:
- 774 (i) an application in a form required by the division; and
- 775 (ii) a registration fee established by the commission with the concurrence of the division under Section 63J-1-504.
- 777 (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:
- 780 (i) a real estate school;
- 781 (ii) a course provider; or
- 782 (iii) an instructor.
- 783 (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.
- 787

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- (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.
- 790 (5) A principal broker:
- 791 (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
- 794 (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).
- 796 (6)
- . (a) A principal broker may designate a branch broker to supervise a branch office affiliated with the principal broker.
- 798 (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.
- 802 [(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.]~~
- 806 [(b) ~~An individual may hold a specialized license in addition to a license as a principal broker, associate broker, or a sales agent.]~~
- 808 [(c) ~~A sales agent who is affiliated with a dual broker may act as a property management sales agent if:]~~
- 810 [(i) ~~the dual broker designates the sales agent as a property management sales agent; and]~~
- 812 [(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.]~~
- 815 [(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.]~~

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- 819 [~~(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:]~~
- 824 [~~(a) prelicensing and postlicensing education requirements;]~~
825 [~~(b) examination requirements;]~~
826 [~~(c) affiliation with real estate brokerages or property management companies;]~~
827 [~~(d) property management sales agent;]~~
828 [~~(i) designation procedures;]~~
829 [~~(ii) allowable scope of practice; and]~~
830 [~~(iii) division fees;]~~
831 [~~(e) what constitutes active and reasonable supervision for:]~~
832 [~~(i) a principal broker when supervising a branch broker or sales agent; and]~~
833 [~~(ii) a branch broker when supervising a sales agent; and]~~
834 [~~(f) other licensing procedures.]~~

835 Section 9. Section **9** is enacted to read:

836 **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.

835 Section 9. Section **9** is enacted to read:

836 **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.

840 Section 10. Section **10** is enacted to read:

841 **61-2f-411. Enforcement related to a property manager.**

842 (1) Nothing in this section applies to an individual:

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

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

845 (2) When engaging in property management, a property manager may:

846 (a) solicit referrals for clients, owners, customers, and renters;

847

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- (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for referring a prospective client;
- 849 (c) accept a referral fee from an individual, whether licensed or unlicensed;
- 850 (d) contract for services, pay bills, and act on behalf of an owner as provided in a management agreement; and
- 852 (e) advertise properties for rent or lease.
- 853 (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:
- 855 (a) located within the state;
- 856 (b) that, unless otherwise modified by a contract for property management, one or more property managers use for the purpose of securing:
- 858 (i) tenant security deposits;
- 859 (ii) rent;
- 860 (iii) money tendered by a property owner as a reserve fund or for payment of an unexpected expense; and
- 862 (iv) any other purpose designated by the commission; and
- 863 (c) that is non-interest bearing, unless the parties to a property management contract:
- 864 (i) agree in writing to deposit the funds in an interest-bearing account;
- 865 (ii) designate in writing the individuals to whom the parties will pay the interest on completion or failure of the property management contract; and
- 867 (iii) ensure that the parties and trust account comply with any other rules established by the commission or division.
- 869 (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.

840 Section 10. Section **10** is enacted to read:

841 **61-2f-411. Enforcement related to a property manager.**

- 842 (1) Nothing in this section applies to an individual:
- 843 (a) buying, selling, or exchanging real estate for another person; or
- 844 (b) offering to buy, sell, or exchange real estate for another person.
- 845 (2) When engaging in property management, a property manager may:

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- 846 (a) solicit referrals for clients, owners, customers, and renters;
847 (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for referring a
prospective client;
849 (c) accept a referral fee from an individual, whether licensed or unlicensed;
850 (d) contract for services, pay bills, and act on behalf of an owner as provided in a management
agreement; and
852 (e) advertise properties for rent or lease.
853 (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:
855 (a) located within the state;
856 (b) that, unless otherwise modified by a contract for property management, one or more property
managers use for the purpose of securing:
858 (i) tenant security deposits;
859 (ii) rent;
860 (iii) money tendered by a property owner as a reserve fund or for payment of an unexpected expense;
and
862 (iv) any other purpose designated by the commission; and
863 (c) that is non-interest bearing, unless the parties to a property management contract:
864 (i) agree in writing to deposit the funds in an interest-bearing account;
865 (ii) designate in writing the individuals to whom the parties will pay the interest on completion or
failure of the property management contract; and
867 (iii) ensure that the parties and trust account comply with any other rules established by the commission
or division.
869 (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.

872 Section 11. **Effective date.**

This bill takes effect on {May 7, 2025} January 1, 2026.

2-5-25 2:26 PM