

Earned Wage Access Services Act
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: A. Cory Maloy

LONG TITLE

General Description:

This bill enacts the Earned Wage Access Services Act.

Highlighted Provisions:

This bill:

- defines terms;
- enacts provisions related to earned wage access services, including provider registration and renewal;
- provides conditions for an earned wage access service provider to be exempt from state lender, money transmission, or debt collection requirements;
- directs the Division of Consumer Protection to administer and enforce the Earned Wage Access Services Act; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

13-2-1, as last amended by Laws of Utah 2024, Chapter 132

ENACTS:

13-75-101, Utah Code Annotated 1953

13-75-102, Utah Code Annotated 1953

13-75-103, Utah Code Annotated 1953

13-75-104, Utah Code Annotated 1953

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

Section 1. Section **13-2-1** is amended to read:

13-2-1 . Consumer protection division established -- Functions.

- 31 (1) There is established within the Department of Commerce the Division of Consumer
32 Protection.
- 33 (2) The division shall administer and enforce the following:
- 34 (a) Chapter 10a, Music Licensing Practices Act;
- 35 (b) Chapter 11, Utah Consumer Sales Practices Act;
- 36 (c) Chapter 15, Business Opportunity Disclosure Act;
- 37 (d) Chapter 20, New Motor Vehicle Warranties Act;
- 38 (e) Chapter 21, Credit Services Organizations Act;
- 39 (f) Chapter 22, Charitable Solicitations Act;
- 40 (g) Chapter 23, Health Spa Services Protection Act;
- 41 (h) Chapter 25a, Telephone and Facsimile Solicitation Act;
- 42 (i) Chapter 26, Telephone Fraud Prevention Act;
- 43 (j) Chapter 28, Prize Notices Regulation Act;
- 44 (k) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter
45 Transaction Information Act;
- 46 (l) Chapter 34, Utah Postsecondary School and State Authorization Act;
- 47 (m) Chapter 41, Price Controls During Emergencies Act;
- 48 (n) Chapter 42, Uniform Debt-Management Services Act;
- 49 (o) Chapter 49, Immigration Consultants Registration Act;
- 50 (p) Chapter 51, Transportation Network Company Registration Act;
- 51 (q) Chapter 52, Residential Solar Energy Disclosure Act;
- 52 (r) Chapter 53, Residential, Vocational and Life Skills Program Act;
- 53 (s) Chapter 54, Ticket Website Sales Act;
- 54 (t) Chapter 56, Ticket Transferability Act;
- 55 (u) Chapter 57, Maintenance Funding Practices Act;
- 56 (v) Chapter 61, Utah Consumer Privacy Act;
- 57 (w) Chapter 63, Utah Social Media Regulation Act;
- 58 (x) Chapter 64, Vehicle Value Protection Agreement Act;
- 59 (y) Chapter 65, Utah Commercial Email Act;
- 60 (z) Chapter 67, Online Dating Safety Act;
- 61 (aa) Chapter 68, Lawyer Referral Consultants Registration Act;
- 62 (bb) Chapter 70, Automatic Renewal Contracts Act; [and]
- 63 (cc) Chapter 71, Utah Minor Protection in Social Media Act[-] ; and
- 64 (dd) Chapter 75, Earned Wage Access Services Act.

- 65 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 66 division may make rules to establish:
- 67 (a) a public list that identifies a person [~~who~~] that:
- 68 (i) violates a chapter described in Subsection (2);
- 69 (ii) without proper legal justification, fails to comply with an order, subpoena,
 70 judgment, or other legal process issued by:
- 71 (A) the division; or
- 72 (B) a court of competent jurisdiction; or
- 73 (iii) breaches a settlement agreement, stipulation, assurance of voluntary compliance,
 74 or similar instrument signed by the person and the division; and
- 75 (b) a process by which a person may be removed from the list the division establishes as
 76 described in Subsection (3)(a).

77 Section 2. Section **13-75-101** is enacted to read:

78 **CHAPTER 75. EARNED WAGE ACCESS SERVICES ACT**

79 **13-75-101 . Definitions.**

80 As used in this chapter:

- 81 (1) "Consumer" means an individual who resides in the state.
- 82 (2) "Earned but unpaid income" means compensation, including salary, wages, or other
 83 income, that is:
- 84 (a) earned or accrued by a consumer through services provided to an employer or as an
 85 independent contractor; and
- 86 (b) not paid yet to the consumer by the employer or hiring party.
- 87 (3) "Earned wage access services" means the payment of funds determined by:
- 88 (a) a consumer's representation; and
- 89 (b) the provider's reasonable determination of earned but unpaid income.
- 90 (4)(a) "Fee" means a charge the provider imposes on a consumer for earned wage access
 91 services, expedited delivery of funds, or a subscription or membership that includes
 92 earned wage access services.
- 93 (b) "Fee" does not include a voluntary tip, gratuity, or donation.
- 94 (5)(a) "Provider" means a person engaged in the business of offering earned wage access
 95 services to a consumer.
- 96 (b) "Provider" does not include:
- 97 (i) a service provider, such as a payroll service provider, that verifies, but does not
 98 fund, earned wages;

99 (ii) an employer that advances a portion of earned wages directly to employees or
100 independent contractors;

101 (iii) a deferred deposit lender as defined in Section 7-23-102; or

102 (iv) a money transmitter as defined in Section 7-25-102.

103 Section 3. Section **13-75-102** is enacted to read:

104 **13-75-102 . Provider registration and registration renewal.**

105 (1) Except as provided in Subsection (4), a person may not act as a provider without
106 registering with the division.

107 (2) To register as a provider, a person shall submit to the division an application for
108 registration:

109 (a) in the manner the division determines; and

110 (b) that includes:

111 (i) an application fee in an amount the division determines in accordance with
112 Sections 13-1-2 and 63J-1-504; and

113 (ii) any other information that the division requires by rule made in accordance with
114 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

115 (3) Each year a provider shall renew the provider's registration by submitting to the division
116 an application for registration renewal:

117 (a) in a manner the division determines; and

118 (b) that includes:

119 (i) an application fee in an amount the division determines in accordance with
120 Sections 13-1-2 and 63J-1-504; and

121 (ii) any other information the division requires by rule made in accordance with Title
122 63G, Chapter 3, Utah Administrative Rulemaking Act.

123 (4) A person that acts as a provider on May 7, 2025, may continue to act as a provider:

124 (a) if the person:

125 (i) applies for registration in accordance with this section on or before October 6,
126 2025; and

127 (ii) complies with the requirements of this chapter; and

128 (b) until the day on which the division issues a decision on the application after which:

129 (i) a person for which an application is denied may no longer operate; and

130 (ii) a person for which an application is granted may operate as provider.

131 Section 4. Section **13-75-103** is enacted to read:

132 **13-75-103 . Regulation of earned wage access services.**

- 133 (1)(a) A provider is exempt from Title 7, Financial Institutions Act, and Title 12,
134 Collection Agencies, if the provider meets the requirements listed in Subsection (2)
135 and does not engage in the prohibited acts described in Subsection (3).
- 136 (b) A provider shall comply with Title 7, Financial Institutions Act, and Title 12,
137 Collection Agencies, if the provider fails to meet any of the requirements listed in
138 Subsection (2) or engages in prohibited acts described in Subsection (3).
- 139 (2) A provider shall:
- 140 (a) develop and implement procedures to address consumer questions and complaints;
141 (b) before entering into an agreement for earned wage access services with a consumer,
142 clearly disclose:
- 143 (i) the consumer's rights under the agreement; and
144 (ii) all fees;
- 145 (c) inform the consumer of material changes to terms and conditions of the earned wage
146 access services thirty days before implementing the changes for the consumer;
147 (d) allow a consumer to cancel the use of earned wage access services at any time
148 without incurring a penalty;
- 149 (e) offer at least one no-fee option to receive funds and explain how to select the no-fee
150 option to receive funds;
- 151 (f) comply with all applicable local, state, and federal privacy and information security
152 laws;
- 153 (g) deliver funds through any method agreed upon by the consumer and provider;
154 (h) reimburse overdraft or non-sufficient fund fees the consumer incurs as a result of the
155 provider's error in disclosed or actual payment amount or payment date unless the
156 funds were acquired by a consumer through fraudulent means; and
- 157 (i) clearly disclose the voluntary nature of tips, gratuities, or donations and ensure the
158 availability or terms of the earned wage access services are not contingent upon the
159 payment of tips, gratuities, or donations.
- 160 (3) A provider may not:
- 161 (a) compel a consumer to repay funds by:
- 162 (i) using or threatening to use civil lawsuits, outbound calls, third-party collections,
163 or debt sales;
- 164 (ii) reporting or threatening to report nonpayment to consumer reporting agencies; or
165 (iii) charging or threatening to charge interest, finance charges, late fees, or other
166 penalties for nonpayment;

- 167 (b) use a consumer's credit report or credit score to determine eligibility for earned wage
168 access services;
- 169 (c) accept payment with a credit card or charge card;
- 170 (d) condition receipt of funds based on fees, tips, gratuities, or donations; or
- 171 (e) mislead a consumer about the voluntary nature of tips, gratuities, or donations.

172 Section 5. Section **13-75-104** is enacted to read:

173 **13-75-104 . Penalties and Enforcement.**

- 174 (1) The department may revoke the registration of a person that violates this chapter or that
175 files materially false information with an application for registration or a renewal under
176 this chapter.
- 177 (2) Subject to Title 63G, Chapter 4, Administrative Procedures Act, if the department
178 determines that a person is engaging in the business of a financial service other than
179 earned wage access services, the department may:
- 180 (a) revoke the person's registration under this chapter;
- 181 (b) issue a cease-and-desist order from committing any further violations;
- 182 (c) prohibit the person from acting as a provider;
- 183 (d) impose an administrative fine not to exceed \$1,000 per violation; or
- 184 (e) take any combination of actions listed under this Subsection (2).

185 Section 6. **Effective Date.**

186 This bill takes effect on May 7, 2025.