

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

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**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;
- exempts a licensed property manager from affiliating with a principal broker;
- repeals provisions authorizing certain individuals to act as a property manager;
- prohibits the Division of Real Estate from requiring that an individual licensed as a property manager be affiliated with a principal broker;
- 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;

- 31       ▸ provides limitations on the penalties the commission may impose on a property manager;
- 32       ▸ authorizes the commission to issue other non-financial penalties to a property manager
- 33 and rules relating to a property manager's ownership interests; and
- 34       ▸ makes technical and conforming changes.

35 **Money Appropriated in this Bill:**

36       None

37 **Other Special Clauses:**

38       None

39 **Utah Code Sections Affected:**

40 AMENDS:

- 41       **61-2f-102**, as last amended by Laws of Utah 2024, Chapter 227
- 42       **61-2f-103**, as last amended by Laws of Utah 2022, Chapter 204
- 43       **61-2f-201**, as renumbered and amended by Laws of Utah 2010, Chapter 379
- 44       **61-2f-202**, as last amended by Laws of Utah 2022, Chapter 204
- 45       **61-2f-203**, as last amended by Laws of Utah 2022, Chapter 204
- 46       **61-2f-204**, as last amended by Laws of Utah 2022, Chapter 204
- 47       **61-2f-206**, as last amended by Laws of Utah 2022, Chapter 204
- 48       **61-2f-302**, as last amended by Laws of Utah 2010, Chapter 184 and renumbered and
- 49       amended by Laws of Utah 2010, Chapter 379

50 ENACTS:

- 51       **61-2f-202.5**, Utah Code Annotated 1953
- 52       **61-2f-307**, Utah Code Annotated 1953
- 53       **61-2f-411**, Utah Code Annotated 1953

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

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

57       **61-2f-102 . Definitions.**

58       As used in this chapter:

- 59 (1) "Associate broker" means an individual who is:
- 60       (a) employed or engaged as an independent contractor by or on behalf of a principal
- 61       broker to perform an act described in Subsection [~~(20)~~] (19) for valuable
- 62       consideration; and
- 63       (b) licensed or is required to be licensed under this chapter as an associate broker.
- 64 (2) "Branch broker" means an associate broker who manages a principal broker's branch

- 65 office under the supervision of the principal broker.
- 66 (3) "Branch office" means a principal broker's real estate brokerage office that is not the  
67 principal broker's main office.
- 68 (4) "Business day" means a day other than:
- 69 (a) a Saturday;
- 70 (b) a Sunday; or
- 71 (c) a federal or state holiday.
- 72 (5) "Business opportunity" means the sale, lease, or exchange of any business that includes  
73 an interest in real estate.
- 74 (6) "Commission" means the Real Estate Commission established under this chapter.
- 75 (7) "Concurrence" means the entities given a concurring role must jointly agree for action  
76 to be taken.
- 77 (8) "Condominium homeowners' association" means the condominium unit owners acting  
78 as a group in accordance with declarations and bylaws.
- 79 (9)(a) "Condominium hotel" means one or more condominium units that are operated as  
80 a hotel.
- 81 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of  
82 which are owned by a single entity.
- 83 (10) "Condominium unit" means the same as that term is defined in Section 57-8-3.
- 84 (11) "Director" means the director of the Division of Real Estate.
- 85 (12) "Division" means the Division of Real Estate.
- 86 [~~(13) "Dual broker" means a principal broker of a real estate sales brokerage who obtains~~  
87 ~~from the division a dual broker license in order to function as the principal broker of a~~  
88 ~~property management company that is a separate entity from the real estate sales~~  
89 ~~brokerage.]~~
- 90 [(14)] (13) "Entity" means:
- 91 (a) a corporation;
- 92 (b) a partnership;
- 93 (c) a limited liability company;
- 94 (d) a company;
- 95 (e) an association;
- 96 (f) a joint venture;
- 97 (g) a business trust;
- 98 (h) a trust; or

- 99 (i) any organization similar to an entity described in Subsections ~~[(14)(a)]~~ (13)(a)  
 100 through (h).
- 101 ~~[(15)]~~ (14) "Executive director" means the director of the Department of Commerce.
- 102 ~~[(16)]~~ (15) "Foreclosure rescue" means, for compensation or with the expectation of  
 103 receiving valuable consideration~~[, t̄ə:]~~ :
- 104 ~~[(a) engage, or offer to engage, in]~~
- 105 (a) an act that:
- 106 (i) the person represents will assist a borrower in preventing a foreclosure; and
- 107 (ii) relates to a transaction involving the transfer of title to residential real property; or
- 108 (b) as an employee or agent of another person:
- 109 (i) ~~[solicit, or offer]~~ a solicitation or an offer that the other person will engage in an  
 110 act described in Subsection ~~[(16)(a)]~~ (15)(a); or
- 111 (ii) ~~[negotiate]~~ negotiation of the terms in relationship to an act described in  
 112 Subsection ~~[(16)(a)]~~ (15)(a).
- 113 ~~[(17)]~~ (16) "Loan modification assistance" means, for compensation or with the expectation  
 114 of receiving valuable consideration~~[, t̄ə:]~~:
- 115 (a) ~~[act,]~~ an act, or an offer to act, on behalf of a person to:
- 116 (i) obtain a loan term of a residential mortgage loan that is different from an existing  
 117 loan term including:
- 118 (A) an increase or decrease in an interest rate;
- 119 (B) a change to the type of interest rate;
- 120 (C) an increase or decrease in the principal amount of the residential mortgage  
 121 loan;
- 122 (D) a change in the number of required period payments;
- 123 (E) an addition of collateral;
- 124 (F) a change to, or addition of, a prepayment penalty;
- 125 (G) an addition of a cosigner; or
- 126 (H) a change in persons obligated under the existing residential mortgage loan; or
- 127 (ii) a substitute of a new residential mortgage loan for an existing residential  
 128 mortgage loan; or
- 129 (b) as an employee or agent of another person:
- 130 (i) ~~[solicit, or offer]~~ a solicitation or an offer that the other person will engage in an  
 131 act described in Subsection ~~[(17)(a)]~~ (16)(a); or
- 132 (ii) ~~[negotiate]~~ negotiation of the terms in relationship to an act described in

133 Subsection ~~[(17)(a)]~~ (16)(a).

134 ~~[(18)]~~ (17) "Main office" means the address ~~[which]~~ that a principal broker designates with  
135 the division as the principal broker's primary brokerage office.

136 ~~[(19)]~~ (18) "Person" means an individual or entity.

137 ~~[(20)]~~ (19) "Principal broker" means an individual who~~[-]~~ :

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

139 and

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

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

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

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

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

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

156 ~~[(g)]~~ (vii) with the expectation of receiving valuable consideration, assists or directs in  
157 the procurement of prospects for or the negotiation of a transaction listed in  
158 Subsections ~~[(20)(a)]~~ (19)(b)(i) and ~~[(c)]~~ (v);

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

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

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

165 ~~[(21)]~~ (20)(a) "Property management" means ~~[engaging in]~~ the management of real estate  
166 owned by another person, with the expectation of receiving valuable consideration, [

167 ~~the management of real estate owned by another person]~~ or advertising or otherwise  
 168 claiming to be engaged in [~~property management]~~ the management of real estate  
 169 owned by another person, by:

- 170 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or  
 171 participating in a transaction calculated to secure the rental or leasing of real estate;  
 172 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real  
 173 estate~~[ and accounting for and disbursing the money collected];~~ or  
 174 (iii) [~~authorizing expenditures for repairs to the real estate]~~ signing a lease agreement  
 175 or an addendum with a tenant.

176 (b) "Property management" does not include:

- 177 (i) hotel or motel management;  
 178 (ii) rental of tourist accommodations, including hotels, motels, tourist homes,  
 179 condominiums, condominium hotels, mobile home park accommodations,  
 180 campgrounds, or similar public accommodations for a period of less than 30  
 181 consecutive days, and the management activities associated with these rentals; or  
 182 (iii) the leasing or management of surface or subsurface minerals or oil and gas  
 183 interests, if the leasing or management is separate from a sale or lease of the  
 184 surface estate.

185 [~~(22) "Property management sales agent" means a sales agent who:~~]

186 [~~(a) is affiliated with a dual broker through the dual broker's property management~~  
 187 ~~company; and]~~

188 [~~(b) is designated by the dual broker as a property management sales agent.]~~

189 (21) "Property manager" means an individual who:

- 190 (a) is licensed or required to be licensed as a property manager under this chapter; and  
 191 (b)(i) engages in property management; or  
 192 (ii) advertises or otherwise holds the individual out to be engaged in property  
 193 management.

194 [~~(23)~~ (22) "Real estate" includes leaseholds and business opportunities involving real  
 195 property.

196 [~~(24)~~ (23)(a) "Regular salaried employee" means an individual:

- 197 (i) who performs a service for wages or other remuneration[;] ; and  
 198 (ii) whose employer withholds federal employment taxes under a contract of hire,  
 199 written or oral, express or implied.

200 (b) "Regular salaried employee" does not include an individual who performs services

- 201 on a project-by-project basis or on a commission basis.
- 202 [(25)] (24) "Reinstatement" means [~~restoring~~] the restoration of a license that has expired or  
 203 has been suspended.
- 204 [(26)] (25) "Reissuance" means the process by which [~~a licensee~~] an individual may obtain a  
 205 license following revocation of the license.
- 206 [(27)] (26) "Renewal" means [~~extending~~] the extension of a license for an additional  
 207 licensing period on or before the date the license expires.
- 208 [(28)] (27) "Sales agent" means an individual who is:
- 209 (a) affiliated with a principal broker, either as an independent contractor or an employee  
 210 as provided in Section 61-2f-303, to perform for valuable consideration an act  
 211 described in Subsection [(20)] (19); and
- 212 (b) licensed, or required to be licensed, under this chapter as a sales agent.
- 213 [(29)] (28) "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.  
 214 Section 2. Section **61-2f-103** is amended to read:
- 215 **61-2f-103 . Real Estate Commission.**
- 216 (1) There is created within the division a Real Estate Commission.
- 217 (2) The commission shall:
- 218 (a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3,  
 219 Utah Administrative Rulemaking Act, make rules for the administration of this  
 220 chapter that are not inconsistent with this chapter, including:
- 221 (i) licensing of:
- 222 (A) a principal broker;
- 223 (B) an associate broker; [~~and~~]
- 224 (C) a sales agent; and
- 225 (D) a property manager;
- 226 (ii) registration of:
- 227 (A) an entity;
- 228 (B) an assumed name under which a person conducts business;
- 229 (C) a branch office; and
- 230 (D) a property management company;
- 231 (iii) prelicensing and postlicensing education curricula;
- 232 (iv) examination procedures;
- 233 (v) the certification and conduct of:
- 234 (A) a real estate school;

- 235 (B) a course provider; or  
236 (C) an instructor;
- 237 (vi) proper handling of money received by a licensee under this chapter;  
238 (vii) brokerage office procedures and recordkeeping requirements;  
239 (viii) property management;  
240 (ix) standards of conduct for a licensee under this chapter;  
241 (x) if the commission, with the concurrence of the division, determines necessary, a  
242 rule as provided in Subsection 61-2f-306(3) regarding a legal form;  
243 (xi) the qualification and designation of an acting principal broker in the event a  
244 principal broker dies, is incapacitated, or is unable to perform the duties of a  
245 principal broker, as described in Section 61-2f-202; and  
246 (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real  
247 property transaction;
- 248 (b) establish, with the concurrence of the division, a fee provided for in this chapter,  
249 except a fee imposed under Part 5, Real Estate Education, Research, and Recovery  
250 Fund Act;
- 251 (c) conduct an administrative hearing not delegated by the commission to an  
252 administrative law judge or the division relating to the:
- 253 (i) licensing of an applicant;  
254 (ii) conduct of a licensee;  
255 (iii) the certification or conduct of a real estate school, course provider, or instructor  
256 regulated under this chapter; or  
257 (iv) violation of this chapter by any person;
- 258 (d) with the concurrence of the director, impose a sanction as provided in Section  
259 61-2f-404;
- 260 (e) advise the director on the administration and enforcement of a matter affecting the  
261 division and the real estate sales and property management industries;
- 262 (f) advise the director on matters affecting the division budget;
- 263 (g) advise and assist the director in conducting real estate seminars; and  
264 (h) perform other duties as provided by this chapter.
- 265 (3)(a) Except as provided in Subsection (3)(b), a state entity may not, without the  
266 concurrence of the commission, make a rule that changes the rights, duties, or  
267 obligations of buyers, sellers, or persons licensed under this chapter in relation to a  
268 real estate transaction between private parties.



- 269 (b) Subsection (3)(a) does not apply to a rule made:  
270 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or  
271 (ii) by the Department of Commerce or any division or other rulemaking body within  
272 the Department of Commerce.
- 273 (4)(a) The commission [~~shall be comprised~~] consists of five members appointed by the  
274 governor and approved by the Senate in accordance with Title 63G, Chapter 24, Part  
275 2, Vacancies.
- 276 (b) Four of the commission members shall:  
277 (i) have at least five years' experience in the real estate business; and  
278 (ii) hold an active principal broker, associate broker, or sales agent license.
- 279 (c) One commission member shall be a member of the general public.
- 280 (d) The governor may not appoint a commission member described in Subsection (4)(b)  
281 who, at the time of appointment, resides in the same county in the state as another  
282 commission member.
- 283 (e) At least one commission member described in Subsection (4)(b) shall at the time of  
284 an appointment reside in a county that is not a county of the first or second class.
- 285 (5)(a) Except as required by Subsection (5)(b), as terms of current commission members  
286 expire, the governor shall appoint each new member or reappointed member to a  
287 four-year term ending June 30.
- 288 (b) [~~Notwithstanding the requirements of Subsection (5)(a), the~~] The governor shall, at  
289 the time of appointment or reappointment, adjust the length of terms to ensure that  
290 the terms of commission members are staggered so that approximately half of the  
291 commission is appointed every two years.
- 292 (c) Upon the expiration of the term of a member of the commission, the member of the  
293 commission shall continue to hold office until a successor is appointed and qualified.
- 294 (d) A commission member may not serve more than two consecutive terms.
- 295 (e) Members of the commission shall annually select one member to serve as chair.
- 296 (6) When a vacancy occurs in the membership for any reason, the governor, with the advice  
297 and consent of the Senate, shall appoint a replacement for the unexpired term.
- 298 (7) A member may not receive compensation or benefits for the member's service, but may  
299 receive per diem and travel expenses in accordance with:  
300 (a) Section 63A-3-106;  
301 (b) Section 63A-3-107; and  
302 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

303 63A-3-107.

304 (8)(a) The commission shall meet at least monthly.

305 (b) The director may call additional meetings:

306 (i) at the director's discretion;

307 (ii) upon the request of the chair; or

308 (iii) upon the written request of three or more commission members.

309 (9) Three members of the commission constitute a quorum for the transaction of business.

310 (10) A member of the commission shall comply with the conflict of interest provisions  
311 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

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

313 **61-2f-201 . License required.**

314 (1) Unless a person is licensed under this chapter, it is unlawful for the person to do the  
315 following with respect to real estate located in this state:

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

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

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

319 or

320 (d) engage in property management.

321 (2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a  
322 principal broker, associate broker, or a sales agent if the individual performs, offers to  
323 perform, or attempts to perform one act for valuable consideration of:

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

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

326 (3) Except as provided in Section 61-2f-202.1, unless an individual is licensed as a property  
327 manager, an individual may not, for consideration:

328 (a) engage in property management; or

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

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

331 **61-2f-202 . Exempt persons and transactions.**

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

334 (i) a person who as owner or lessor performs an act described in Subsection [

335 ~~61-2f-102(20)] 61-2f-102(19) with reference to real estate owned or leased by that~~

336 person;

- 337 (ii) a regular salaried employee of the owner or lessor of real estate who, with  
338 reference to nonresidential real estate owned or leased by the employer, performs  
339 an act described in Subsection [~~61-2f-102(20)(b)~~] 61-2f-102(19)(b) or (c);
- 340 (iii) a regular salaried employee of the owner of real estate who performs property  
341 management services with reference to real estate owned by the employer, except  
342 that the employee may only manage real estate for one employer;
- 343 (iv) an individual who performs property management services for the apartments at  
344 which that individual resides in exchange for free or reduced rent on that  
345 individual's apartment;
- 346 (v) a regular salaried employee of a condominium homeowners' association who  
347 manages real estate subject to the declaration of condominium that established the  
348 condominium homeowners' association, except that the employee may only  
349 manage real estate for one condominium homeowners' association;
- 350 (vi) a regular salaried employee of a licensed property management company or real  
351 estate brokerage who performs support services, as prescribed by rule, for the  
352 property management company or real estate brokerage; or
- 353 (vii) in the event a principal broker dies, is incapacitated, or is unable to perform the  
354 duties of a principal broker, an individual qualified and designated as the  
355 commission determines by rule made in accordance with Title 63G, Chapter 3,  
356 Utah Administrative Rulemaking Act, with the concurrence of the division, as an  
357 acting principal broker:
- 358 (A) in relation to each transaction pending on the day on which the principal  
359 broker dies, becomes incapacitated, or becomes unable to perform the duties of  
360 a principal broker, including the distribution of compensation for each  
361 transaction; and
- 362 (B) until the day on which each transaction described in Subsection (1)(a)(vii)(A)  
363 is completed.
- 364 (b) Subsection (1)(a) does not exempt from licensing:
- 365 (i) an employee engaged in the sale of real estate regulated under:
- 366 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or  
367 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 368 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57,  
369 Chapter 23, Real Estate Cooperative Marketing Act; or
- 370 (iii) an individual whose interest as an owner or lessor is obtained by that individual

371 or transferred to that individual for the purpose of evading the application of this  
372 chapter, and not for another legitimate business reason.

373 (2) A license under this chapter is not required for:

- 374 (a) an isolated transaction or service by an individual holding an unsolicited, duly  
375 executed power of attorney from a property owner;
- 376 (b) subject to Subsection 61-2f-401(5), services rendered by an attorney admitted to  
377 practice law in this state in performing the attorney's duties as an attorney;
- 378 (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting  
379 under order of a court;
- 380 (d) a trustee or employee of a trustee under a deed of trust or a will;
- 381 (e) a public utility, officer of a public utility, or regular salaried employee of a public  
382 utility, unless performance of an act described in Subsection [~~61-2f-102(20)~~  
383 61-2f-102(19)] is in connection with the sale, purchase, lease, or other disposition of  
384 real estate or investment in real estate unrelated to the principal business activity of  
385 that public utility;
- 386 (f) a regular salaried employee or authorized agent working under the oversight of the  
387 Department of Transportation when performing an act on behalf of the Department of  
388 Transportation in connection with one or more of the following:
- 389 (i) the acquisition of real estate pursuant to Section 72-5-103;
- 390 (ii) the disposal of real estate pursuant to Section 72-5-111;
- 391 (iii) services that constitute property management; or
- 392 (iv) the leasing of real estate; and
- 393 (g) a regular salaried employee of a county, city, or town when performing an act on  
394 behalf of the county, city, or town:
- 395 (i) in accordance with:
- 396 (A) if a regular salaried employee of a city or town:
- 397 (I) Title 10, Utah Municipal Code; or
- 398 (II) Title 11, Cities, Counties, and Local Taxing Units; and
- 399 (B) if a regular salaried employee of a county:
- 400 (I) Title 11, Cities, Counties, and Local Taxing Units; and
- 401 (II) Title 17, Counties; and
- 402 (ii) in connection with one or more of the following:
- 403 (A) the acquisition of real estate, including by eminent domain;
- 404 (B) the disposal of real estate;

- 405 (C) services that constitute property management; or  
406 (D) the leasing of real estate.
- 407 (3) A license under this chapter is not required for an individual registered to act as a  
408 broker-dealer, agent, or investment adviser under the Utah and federal securities laws in  
409 the sale or the offer for sale of real estate if:
- 410 (a)(i) the real estate is a necessary element of a "security" as that term is defined by  
411 the Securities Act of 1933 and the Securities Exchange Act of 1934; and  
412 (ii) the security is registered for sale in accordance with:
- 413 (A) the Securities Act of 1933; or  
414 (B) Title 61, Chapter 1, Utah Uniform Securities Act; or
- 415 (b)(i) it is a transaction in a security for which a Form D, described in 17 C.F.R. Sec.  
416 239.500, has been filed with the Securities and Exchange Commission pursuant to  
417 Regulation D, Rule 506, 17 C.F.R. Sec. 230.506; and  
418 (ii) the selling agent and the purchaser are not residents of this state.
- 419 (4) Except as otherwise provided by statute or rule, the following individuals may engage in  
420 the practice of an occupation or profession regulated by this chapter, subject to the stated  
421 circumstances and limitations, without being licensed under this chapter:
- 422 (a) an individual licensed under the laws of this state, other than under this chapter, to  
423 practice or engage in an occupation or profession, while engaged in the lawful,  
424 professional, and competent practice of that occupation or profession;
- 425 (b) an individual serving in the armed forces of the United States, the United States  
426 Public Health Service, the United States Department of Veterans Affairs, or any other  
427 federal agency while engaged in activities regulated under this title as a part of  
428 employment with that federal agency if the individual holds a valid license to practice  
429 the regulated occupation or profession issued by any other state or jurisdiction  
430 recognized by the department; and
- 431 (c) the spouse of an individual serving in the armed forces of the United States while the  
432 individual is stationed within this state, if:
- 433 (i) the spouse holds a valid license to practice the regulated occupation or profession  
434 issued by any other state or jurisdiction recognized by the department; and  
435 (ii) the license is current and the spouse is in good standing in the state or jurisdiction  
436 of licensure.
- 437 (5) As used in this section, "owner" does not include:
- 438 (a) a person who holds an option to purchase real property;

- 439 (b) a mortgagee;
- 440 (c) a beneficiary under a deed of trust;
- 441 (d) a trustee under a deed of trust; or
- 442 (e) a person who owns or holds a claim that encumbers any real property or an
- 443 improvement to the real property.
- 444 (6) The commission, with the concurrence of the division, may provide, by rule made in
- 445 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 446 circumstances under which a person or transaction qualifies for an exemption that is
- 447 described in this section.

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

449 **61-2f-202.5 . Exempt individuals and transactions involving property**

450 **management.**

451 A license under this chapter is not required for:

- 452 (1) an individual who, as an owner or lessor, performs an act described in Subsection
- 453 61-2f-102(20) in connection to real estate owned or leased by that individual;
- 454 (2) an individual who is part of a property owner's immediate family, if the individual
- 455 performs an act described in Subsection 61-2f-102(20) in connection to real estate
- 456 owned by the property owner;
- 457 (3) an unlicensed or remote assistant of a property manager;
- 458 (4) an individual who exclusively performs the following tasks:
- 459 (a) maintenance and repairs on real property; or
- 460 (b) bookkeeping and accounting; or
- 461 (5) a regional manager or a corporate official of a rental agency who does not engage in an
- 462 act described in Subsection 61-2f-102(20).

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

464 **61-2f-203 . Licensing requirements.**

- 465 (1)(a)(i) The division shall determine whether an applicant with a criminal history
- 466 qualifies for licensure.
- 467 (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or
- 468 places a license on probation, the applicant may petition the commission for de
- 469 novo review of the application.
- 470 (b) Except as provided in Subsection (6), the commission shall determine all other
- 471 qualifications and requirements of an applicant for:
- 472 (i) a principal broker license;

- 473 (ii) an associate broker license;~~[-or]~~  
474 (iii) a sales agent license[-] ; or  
475 (iv) a property manager license.
- 476 (c) The division, with the concurrence of the commission, shall require and pass upon  
477 proof necessary to determine the honesty, integrity, truthfulness, reputation, and  
478 competency of each applicant for an initial license or for renewal of an existing  
479 license.
- 480 (d)(i)(A) Except as provided in Subsection (1)(d)(i)(B), the division, with the  
481 concurrence of the commission, shall require an applicant for a sales agent  
482 license to complete a division-approved educational program consisting of not  
483 less than 120 hours, as designated by rule the commission makes in accordance  
484 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the  
485 concurrence of the division.
- 486 (B) If on the day on which an applicant for a sales agent license applies for the  
487 license the applicant is licensed as a real estate sales agent in another state, the  
488 division may require the applicant to complete a division-approved,  
489 state-specific educational program consisting of the number of hours  
490 designated by rule the commission makes in accordance with Title 63G,  
491 Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the  
492 division.
- 493 (ii)(A) Except as provided in Subsection (1)(d)(ii)(B), the division, with the  
494 concurrence of the commission, shall require an applicant for an associate  
495 broker or a principal broker license to complete a division-approved  
496 educational program consisting of not less than 120 hours, as designated by  
497 rule the commission makes in accordance with Title 63G, Chapter 3, Utah  
498 Administrative Rulemaking Act, with the concurrence of the division.
- 499 (B) If on the day on which an applicant for an associate broker or a principal  
500 broker license applies for the license the applicant is licensed as a real estate  
501 broker in another state, the division may require the applicant to complete a  
502 division-approved, state-specific educational program consisting of the number  
503 of hours designated by rule the commission makes in accordance with Title  
504 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of  
505 the division.
- 506 (iii)(A) Except as provided in Subsection (1)(d)(iii)(B), the division shall require

- 507 that an applicant for a property manager license complete the educational  
 508 program described in Subsection (1)(d)(iv).
- 509 (B) If, on the day on which an applicant for a property manager license applies for  
 510 the license, the applicant is licensed as a property manager in another state, the  
 511 division may require the applicant to complete a division-approved,  
 512 state-specific educational program consisting of the number of hours  
 513 designated by rule the commission makes in accordance with Title 63G,  
 514 Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the  
 515 division.
- 516 (iv) The division shall create an educational program for a property manager license  
 517 that:
- 518 (A) requires at least 24 hours of training;  
 519 (B) covers subjects the division determines necessary for the program; and  
 520 (C) establishes the proportion of hours allocated for each subject in the program.
- 521 ~~[(iii)]~~ (v) An hour required by this section means 50 minutes of instruction in each 60  
 522 minutes.
- 523 ~~[(iv)]~~ (vi) The maximum number of program hours available to an individual is eight  
 524 hours per day.
- 525 (e)(i) Except as provided in Subsection (1)(e)(ii), the division, with the concurrence  
 526 of the commission, shall require an applicant to pass an examination approved by  
 527 the commission covering:
- 528 (A) the fundamentals of the English language;  
 529 (B) the fundamentals of arithmetic;  
 530 (C) the fundamentals of bookkeeping;  
 531 (D) the fundamentals of real estate principles and practices;  
 532 (E) this chapter;  
 533 (F) the rules established by the commission with the concurrence of the division;  
 534 and  
 535 (G) any other aspect of Utah real estate license law considered appropriate.
- 536 (ii) If on the day on which an applicant applies for a license the applicant is licensed  
 537 as a real estate broker or a sales agent in another state, the division may, with the  
 538 concurrence of the commission, require the applicant to pass a division-approved,  
 539 state-specific examination rather than the examination required under Subsection  
 540 (1)(e)(i).



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

575 licensing agreement with another jurisdiction for the licensure of a principal broker, an  
 576 associate broker, or a sales agent, if the jurisdiction's requirements and standards for the  
 577 license are substantially similar to those of this state.

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

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

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

- 585 (i) review a class or category of applications for initial or renewed licenses;
- 586 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
- 587 (iii) approve or deny a license application without concurrence by the commission.

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

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

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

- 597 (a) meeting the education requirement described in Subsection (1)(d)(iii); or
- 598 (b) passing an exam required for a property manager license under Subsection (1)(e).

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

600 **61-2f-204 . Licensing fees and procedures -- Renewal fees and procedures.**

601 (1)(a) Upon filing an application for an examination for a license under this chapter, the  
 602 applicant shall pay a nonrefundable fee established in accordance with Section  
 603 63J-1-504 for admission to the examination.

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

608 (c) ~~[A license issued under this Subsection (1) shall be issued]~~ The division shall issue a

609 license under this Subsection (1) for a period of not less than two years as the  
 610 division determines with the concurrence of the commission.

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

612 (A) a new sales agent applicant;

613 (B) a principal broker applicant;~~and~~

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

615 (D) a property manager applicant.

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

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

620 (B) submit to the division a signed waiver in accordance with Subsection  
 621 53-10-108(4), acknowledging the registration of the applicant's fingerprints in  
 622 the Federal Bureau of Investigation Next Generation Identification System's  
 623 Rap Back Service~~[-beginning January 1, 2020];~~

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

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

628 (iii) The Bureau of Criminal Identification shall:

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

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

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

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

642 (E) ensure that the division only receives notifications for an individual with

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

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

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

- 745 Identification and the Federal Bureau of Investigation; and
- 746 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 747 (3)(a) As a condition for the activation of an inactive license that was in an inactive
- 748 status at the time of the licensee's most recent renewal, the licensee shall supply the
- 749 division with proof of:
- 750 (i) successful completion of the respective sales agent or principal broker licensing
- 751 examination within six months before the day on which the licensee applies to
- 752 activate the license; or
- 753 (ii) the successful completion of the hours of continuing education that the licensee
- 754 would have been required to complete under Subsection (2)(a) if the license had
- 755 been on active status at the time of the licensee's most recent renewal.
- 756 (b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative
- 757 Rulemaking Act, subject to concurrence by the division, establish by rule:
- 758 (i) the nature or type of continuing education required for reactivation of a license;
- 759 and
- 760 (ii) how long before reactivation the continuing education must be completed.
- 761 Section 8. Section **61-2f-206** is amended to read:
- 762 **61-2f-206 . Registration of person or branch office -- Certification of education**
- 763 **providers and courses -- Specialized licenses.**
- 764 (1)(a) A person may not engage in an activity described in Section 61-2f-201, unless the
- 765 person is registered with the division.
- 766 (b) To register with the division under this Subsection (1), a person shall submit to the
- 767 division:
- 768 (i) an application in a form required by the division;
- 769 (ii) subject to Subsection (1)(d), evidence of an affiliation with a principal broker;
- 770 (iii) evidence that the person is registered and in good standing with the Division of
- 771 Corporations and Commercial Code; and
- 772 (iv) a registration fee established by the commission with the concurrence of the
- 773 division under Section 63J-1-504.
- 774 (c) The division may terminate a person's registration if:
- 775 (i) the person's registration with the Division of Corporations and Commercial Code
- 776 has been expired for at least three years; and
- 777 (ii) the person's license with the division has been inactive for at least three years.
- 778 (d) An individual licensed as a property manager is not required to affiliate with a

- 779           principal broker.
- 780   (2)(a) A principal broker shall register with the division each of the principal broker's  
781   branch offices.
- 782   (b) To register a branch office with the division under this Subsection (2), a principal  
783   broker shall submit to the division:
- 784       (i) an application in a form required by the division; and  
785       (ii) a registration fee established by the commission with the concurrence of the  
786       division under Section 63J-1-504.
- 787   (3)(a) In accordance with rules made by the commission with the concurrence of the  
788   division and in accordance with Title 63G, Chapter 3, Utah Administrative  
789   Rulemaking Act, the division shall certify:
- 790       (i) a real estate school;  
791       (ii) a course provider; or  
792       (iii) an instructor.
- 793   (b) In accordance with rules made by the commission in accordance with Title 63G,  
794   Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the  
795   division, the division shall certify a continuing education course that is required  
796   under this chapter.
- 797   (4) Except as provided under this chapter or by rule the commission makes in accordance  
798   with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, a principal broker may  
799   not be responsible for more than one registered entity at the same time.
- 800   (5) A principal broker:
- 801       (a) shall exercise active and reasonable supervision of the principal broker's main office  
802       in accordance with this chapter and rules the commission makes in accordance with  
803       Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and  
804       (b) may supervise a branch office affiliated with the principal broker at the same time  
805       the principal broker exercises the supervision required under Subsection (5)(a).
- 806   (6)(a) A principal broker may designate a branch broker to supervise a branch office  
807   affiliated with the principal broker.
- 808   (b) A branch broker shall exercise active and reasonable supervision, in accordance with  
809   this chapter and rules the commission makes in accordance with Title 63G, Chapter  
810   3, Utah Administrative Rulemaking Act, of each branch office the principal broker  
811   designates the branch broker to supervise.
- 812   ~~[(7)(a) In addition to issuing a principal broker license, associate broker license, or sales~~



813 agent license authorizing the performance of an act set forth in Section 61-2f-201, the  
814 division may issue a specialized sales license or specialized property management  
815 license with the scope of practice limited to the specialty.]

816 [(b) An individual may hold a specialized license in addition to a license as a principal  
817 broker, associate broker, or a sales agent.]

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

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

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

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

829 [(8) The commission may determine, by rule made in accordance with Title 63G, Chapter  
830 3, Utah Administrative Rulemaking Act, subject to concurrence by the division,  
831 licensing requirements related to this section for a principal broker, associate broker,  
832 sales agent, dual broker, property management sales agent, or for a specialized license  
833 described in Subsection (7), including:]

834 [(a) prelicensing and postlicensing education requirements;]  
835 [(b) examination requirements;]  
836 [(c) affiliation with real estate brokerages or property management companies;]  
837 [(d) property management sales agent:]

838 [(i) designation procedures;]  
839 [(ii) allowable scope of practice; and]  
840 [(iii) division fees;]

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

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

844 [(f) other licensing procedures.]

845 Section 9. Section **61-2f-302** is amended to read:  
846 **61-2f-302 . Affiliation with a principal broker.**

- 847 (1)(a) ~~[An]~~ Except as provided in Subsection (1)(b), an individual who is not a principal  
 848 broker may not engage in an act described in Section 61-2f-201 unless the individual  
 849 is affiliated with a principal broker as:
- 850 ~~[(a)]~~ (i) an associate broker; or  
 851 ~~[(b)]~~ (ii) a sales agent.
- 852 (b)(i) The division may not require an individual licensed as a property manager  
 853 under Section 61-2f-201 to affiliate with a principal broker.
- 854 (ii) An individual licensed as a property manager may engage in an act described in  
 855 Subsection 61-2f-201(20) without affiliating with a principal broker.
- 856 (2)(a) An inactive associate broker or sales agent may not conduct a real estate  
 857 transaction until the inactive associate broker or sales agent becomes affiliated with a  
 858 principal broker and submits the required documentation to the division.
- 859 (b) An inactive principal broker may not conduct a real estate transaction until the  
 860 principal broker's license is activated with the division.
- 861 (3) A sales agent or associate broker may not affiliate with more than one principal broker  
 862 at the same time.
- 863 (4) An individual may not be a principal broker of an entity and a sales agent or associate  
 864 broker for a different entity at the same time.
- 865 (5) An owner, purchaser, lessor, or lessee who engages the services of a principal broker  
 866 may designate which sales agents or associate brokers affiliated with that principal  
 867 broker will also represent that owner, purchaser, lessor, or lessee in the purchase, sale,  
 868 lease, or exchange of real estate, or in exercising an option relating to real estate.
- 869 Section 10. Section **61-2f-307** is enacted to read:
- 870 **61-2f-307 . Rights and privileges of a property manager to fill out a form or**  
 871 **document.**
- 872 A property manager may fill out any form, contract, or lease agreement associated with  
 873 the renting and management of real property.
- 874 Section 11. Section **61-2f-411** is enacted to read:
- 875 **61-2f-411 . Enforcement related to a property manager.**
- 876 (1) Nothing in this section applies to an individual:
- 877 (a) buying, selling, or exchanging real estate for another person; or  
 878 (b) offering to buy, sell, or exchange real estate for another person.
- 879 (2) When engaging in property management, a property manager may:
- 880 (a) solicit referrals for clients, owners, customers, and renters;

- 881        (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for  
882        referring a prospective client;
- 883        (c) accept a referral fee from an individual, whether licensed or unlicensed;
- 884        (d) contract for services, pay bills, and act on behalf of an owner as provided in a  
885        management agreement; and
- 886        (e) advertise properties for rent or lease.
- 887        (3) Except as provided in Subsection (4), a property manager shall associate with at least  
888        one real estate trust account in a bank or credit union:
- 889        (a) located within the state;
- 890        (b) that, unless otherwise modified by a contract for property management, one or more  
891        property managers use for the purpose of securing:
- 892        (i) tenant security deposits;
- 893        (ii) rent;
- 894        (iii) money tendered by a property owner as a reserve fund or for payment of an  
895        unexpected expense; and
- 896        (iv) any other purpose designated by the commission; and
- 897        (c) that is non-interest bearing, unless the parties to a property management contract:
- 898        (i) agree in writing to deposit the funds in an interest-bearing account;
- 899        (ii) designate in writing the individuals to whom the parties will pay the interest on  
900        completion or failure of the property management contract; and
- 901        (iii) ensure that the parties and trust account comply with any other rules established  
902        by the commission or division.
- 903        (4) A property manager who obtains and holds a security bond that protects at least 30% of  
904        the estimated client funds the property manager holds in the property manager's bank  
905        accounts is not required to be associated with a trust account.
- 906        (5) The commission:
- 907        (a) may not impose financial penalties for conduct that violates an existing division rule,  
908        if:
- 909        (i) a court has adjudicated and issued a final judgment relating to the conduct; or  
910        (ii) all parties involved in the conduct settled privately;
- 911        (b) may suspend, revoke, reprimand, or otherwise issue non-financial penalties to a  
912        property manager, regardless of whether a court has adjudicated and issued a final  
913        judgment relating to the conduct; and
- 914        (c) may adopt a rule requiring a property manager to disclose ownership interests to a

- 915            renter or prospective tenant.
- 916            Section 12. **Effective Date.**
- 917            This bill takes effect on May 7, 2025.