

1st Sub. S.B. 196
Wrongful Lien Act Amendments

Senate Amendments

Amendment 1

February 11, 2026 11:30 AM

Senator **Don L. Ipson** proposes the following amendments:

1. *Line 6 through 13:*

6 **Highlighted Provisions:**

7 This Bill:

8 →expands the definition of "wrongful lien";

9 →provides that if a notice of a { **reinvestment fee covenant or** } transfer fee covenant is a
10 wrongful lien, the notice of a { **reinvestment fee covenant or** } transfer fee covenant is
11 invalid;

12 →provides additional filing requirements for a homeowner association that records a lien;

13 →provides that a county recorder is not required to determine whether a notice is a

2. *Line 99 through 104:*

99 (b) "Wrongful lien" includes:

100 (i) [-]a document recorded in violation of Subsection 10-20-508(2)(d)[-];

101 (ii) a document that purports to be a notice of transfer fee covenant described in

102 Subsection { **57-1-46(7)(b)** } **57-1-46(7)** or Section 57-1-47 or a document that purports to create,
103 continue, or reestablish a transfer fee covenant as a lien or encumbrance on an
104 owner's interest in real property, if at the time the document was recorded the

3. *Line 105 through 111:*

105 transfer fee covenant was not enforceable due to the:

106 (A) foreclosure of a trust deed or mortgage that has priority over the transfer fee
107 covenant;

108 (B) { **document not being recorded in accordance with** } **absence of a previously recorded**
notice required by Subsection 57-1-46(7) or
109 Section 57-1-47; or

110 (C) existence of a recorded rescission, termination, release, waiver, or other
111 document terminating the transfer fee covenant; or