

HB0377S01 compared with HB0377

~~{Omitted text}~~ shows text that was in HB0377 but was omitted in HB0377S01

inserted text shows text that was not in HB0377 but was inserted into HB0377S01

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Real Estate Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: R. Neil Walter
Senate Sponsor:

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3 **LONG TITLE**

4 **General Description:**

5 This bill amends provisions relating to real estate.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ defines terms;

9 ▶ **extends the implementation date for the property manager license to January 1, 2027;**

9 ▶ provides that the Division of Real Estate (division) shall make rules for the licensing of a dual broker;

11 ▶ provides that a dual broker may engage in property management without obtaining a property management license;

13 ▶ establishes the scope of a property manager license;

14 ▶ requires an individual who holds a property manager license who is employed by a person that is required to affiliate with a principal broker to also affiliate with the principal broker;

17 ▶

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provides {~~that an individual who holds~~} the conditions under which a property manager {~~license who is not employed by a person that is required to affiliate with a principal broker~~} is not required to affiliate with a principal broker;

20 ▶ amends provisions relating to investigating a violation of Title 61, Chapter 2f, Real Estate
Licensing and Practices Act;

22 ▶ provides requirements for the records that a brokerage and a property manager that meets certain
requirements is required to maintain;

23 ▶ amends the circumstances under which a property manager is not required to maintain property
management client funds in a trust account; and

25 ▶ makes technical changes.

27 Money Appropriated in this Bill:

28 None

29 Other Special Clauses:

30 None

31 Utah Code Sections Affected:

32 AMENDS:

33 **61-2f-102** , as last amended by Laws of Utah 2025, First Special Session, Chapter 9

34 **61-2f-103** , as last amended by Laws of Utah 2025, First Special Session, Chapter 4

35 **61-2f-201** , as last amended by Laws of Utah 2025, First Special Session, Chapter 4

36 **61-2f-202** , as last amended by Laws of Utah 2025, Chapter 248

37 **61-2f-202.5** , as enacted by Laws of Utah 2025, Chapter 248

38 **61-2f-203** , as last amended by Laws of Utah 2025, First Special Session, Chapter 4

39 **61-2f-204** , as last amended by Laws of Utah 2025, Chapter 248

40 **61-2f-302** , as last amended by Laws of Utah 2010, Chapter 184 and renumbered and amended by
Laws of Utah 2010, Chapter 379

42 **61-2f-309** , as enacted by Laws of Utah 2025, Chapter 263

43 **61-2f-402** , as last amended by Laws of Utah 2025, Chapter 263

44 **61-2f-411** , as last amended by Laws of Utah 2025, First Special Session, Chapter 4

45 REPEALS:

46 **61-2f-101** , as enacted by Laws of Utah 2010, Chapter 379

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

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

50 **61-2f-102. Definitions.**

As used in this chapter:

- 49 (1) "Admonition" means a public discipline that declares the conduct of a person as improper and does
not identify the person.
- 51 (2)
- (a) "Advertisement" means a notice or announcement meant to:
- 52 (i) promote the availability of real estate, an option on real estate, or a business opportunity for sale,
exchange, auction, or lease;
- 54 (ii) offer specific types of brokerage services; or
- 55 (iii) specifically solicit the public to contact that licensee for more information.
- 56 (b) "Advertisement" does not include a social media post that generally identifies the person as being
engaged in the profession of real estate if the social media post does not:
- 59 (i) promote the availability of real estate, an option on real estate, or a business opportunity for sale,
exchange, auction, or lease;
- 61 (ii) offer specific types of brokerage services; or
- 62 (iii) specifically solicit the public to contact that licensee for more information.
- 63 (3) "Advertising" or "advertise" means placing or directing the placement of an advertisement.
- 65 (4) "Associate broker" means an individual who is:
- 66 (a) employed or engaged as an independent contractor by or on behalf of a principal broker to perform
an act described in Subsection [(29)] (30) for valuable consideration; and
- 69 (b) licensed or is required to be licensed under this chapter as an associate broker.
- 70 (5) "Branch broker" means an associate broker who manages a principal broker's branch office under
the supervision of the principal broker.
- 72 (6) "Branch office" means a principal broker's real estate brokerage office that is not the principal
broker's main office.
- 74 (7) "Brokerage" means an entity registered or required to be registered with the division [~~pursuant to~~] in
accordance with Section 61-2f-206.
- 76 (8) "Brokerage name" means:
- 77 (a) the name of the brokerage as shown on division records;

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- 78 (b) the name of a branch office of the brokerage; or
79 (c) a ~~[DBA]~~ D.B.A. of the brokerage.
- 80 (9) "Business day" means a day other than:
81 (a) a Saturday;
82 (b) a Sunday; or
83 (c) a federal or state holiday.
- 84 (10) "Business opportunity" means the sale, lease, or exchange of any business that includes an interest
in real estate.
- 86 (11) "Commission" means the Real Estate Commission established under this chapter.
- 87 (12) "Common interest association" means the same as that term is defined in Section 57-1-46.
- 89 (13) "Concurrence" means the entities given a concurring role ~~[must]~~ shall jointly agree for action to be
taken.
- 91 (14)
(a) "Condominium hotel" means one or more condominium units that are operated as a hotel.
93 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of which are
owned by a single entity.
- 95 (15) "Condominium unit" means the same as that term is defined in Section 57-8-3.
- 96 (16) "Director" means the director of the Division of Real Estate.
- 97 (17) "Division" means the Division of Real Estate.
- 98 (18) ~~["Doing business as" or "DBA"]~~ "D.B.A." means a name that is registered with the Division of
Corporations and Commercial Code that allows a business to operate under a name different from
the business's legal name.
- 101 (19) "DOD civilian" means the same as that term is defined in Section 53H-11-202.
- 102 (20) "Dual broker" means a principal broker who ~~{ obtains a license from the division in order to~~
~~function }~~ functions as the principal ~~{ broker }~~ property manager of a property management
company that is a separate entity from a brokerage.
- 105 ~~[(20)]~~ (21) "Entity" means:
106 (a) a corporation;
107 (b) a partnership;
108 (c) a limited liability company;
109 (d) a company;

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- 110 (e) an association;
- 111 (f) a joint venture;
- 112 (g) a business trust;
- 113 (h) a trust; or
- 114 (i) any organization similar to an entity described in Subsections [~~(20)(a)~~] (21)(a) through (h).
- 116 [~~(21)~~] (22) "Executive director" means the director of the Department of Commerce.
- 117 [~~(22)~~] (23) "Factory built housing" means a manufactured home or mobile home.
- 118 [~~(23)~~] (24) "Foreclosure rescue" means, for compensation or with the expectation of receiving valuable consideration:
- 120 (a) an act that:
- 121 (i) the person represents will assist a borrower in preventing a foreclosure; and
- 122 (ii) relates to a transaction involving the transfer of title to residential real property; or
- 123 (b) as an employee or agent of another person:
- 124 (i) a solicitation or an offer that the other person will engage in an act described in Subsection [~~(23)~~]
~~(a)~~] (24)(a); or
- 126 (ii) negotiation of the terms in relationship to an act described in Subsection [~~(23)(a)~~] (24)(a).
- 128 [~~(24)~~] (25) "Loan modification assistance" means, for compensation or with the expectation of receiving valuable consideration:
- 130 (a) an act, or an offer to act, on behalf of a person to:
- 131 (i) obtain a loan term of a residential mortgage loan that is different from an existing loan term including:
- 133 (A) an increase or decrease in an interest rate;
- 134 (B) a change to the type of interest rate;
- 135 (C) an increase or decrease in the principal amount of the residential mortgage loan;
- 137 (D) a change in the number of required period payments;
- 138 (E) an addition of collateral;
- 139 (F) a change to, or addition of, a prepayment penalty;
- 140 (G) an addition of a cosigner; or
- 141 (H) a change in persons obligated under the existing residential mortgage loan; or
- 142 (ii) a substitute of a new residential mortgage loan for an existing residential mortgage loan; or
- 144 (b) as an employee or agent of another person:

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- 145 (i) a solicitation or an offer that the other person will engage in an act described in Subsection [(24)
146 (a)] (25)(a); or
- 147 (ii) negotiation of the terms in relationship to an act described in Subsection [(24)(a)] (25)(a).
- 149 [(25)] (26) "Main office" means the address that a principal broker designates with the division as the
150 principal broker's primary brokerage office.
- 151 [(26)] (27) "Manufactured home" means the same as that term is defined in Section 15A-1-302.
- 153 [(27)] (28) "Mobile home" means the same as that term is defined in Section 15A-1-302.
- 154 [(28)] (29) "Person" means an individual or entity.
- 155 [(29)] (30) "Principal broker" means an individual who:
- 156 (a) is licensed or required to be licensed as a principal broker under this chapter; and
- 157 (b)
- (i) sells or lists for sale real estate, including real estate being sold as part of a foreclosure rescue, a
business opportunity, or, unless licensed with the Division of Professional Licensing as a dealer
under Title 58, Chapter 56, Building Inspector and Factory Built Housing Licensing Act, factory
built housing, with the expectation of receiving valuable consideration;
- 162 (ii) buys, exchanges, or auctions real estate, an option on real estate, a business opportunity, or, unless
licensed with the Division of Professional Licensing as a dealer under Title 58, Chapter 56, Building
Inspector and Factory Built Housing Licensing Act, factory built housing, with the expectation of
receiving valuable consideration;
- 167 (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged in the business
described in Subsection [(29)(a)] ~~{(30)(a)}~~ (30)(b)(i) or (b)(ii);
- 169 (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 [(29)(a)] ~~{(30)(a)}~~ (30)(b)(i), whether the individual's
compensation is at a stated salary, a commission basis, upon a salary and commission basis, or
otherwise;
- 173 (v) with the expectation of receiving valuable consideration, manages property owned by another
person;
- 175 (vi) advertises or otherwise holds the individual out to be engaged in property management;
- 177 (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 [(29)(a)] ~~{(30)(a)}~~ (30)(b)(i)
and [(v)] (b)(v);

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- 180 (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;
- 183 (ix) engages in foreclosure rescue; or
- 184 (x) advertises, offers, attempts, or otherwise holds the person out as being engaged in foreclosure
rescue.
- 188 (31) "Principal property manager" means an individual who:
- 189 (a) is the primary contact for a property management company; and
- 190 (b) holds a valid, active license under this chapter as:
- 191 (i) a property manager; or
- 192 (ii) a principal broker.
- 186 [~~(30)~~] (31){(32)}
- (a) "Property management" means the management of real estate owned by another person, with the
expectation of receiving valuable consideration, or advertising or otherwise claiming to be engaged
in the management of real estate owned by another person, by:
- 190 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or participating in a
transaction calculated to secure the rental or leasing of real estate;
- 192 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real estate; or
- 194 (iii) signing a lease agreement or an addendum with a tenant.
- 195 (b) "Property management" does not include:
- 196 (i) hotel or motel management;
- 197 (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
- 201 (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.
- 211 (33) "Property management company" means an entity:
- 212 (a) that engages solely in property management;
- 213 (b) that is required to register with the division under this chapter; and
- 214 (c) is supervised by:

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- 215 (i) a dual broker;
216 (ii) a principal broker; or
217 (iii) a principal property manager.
- 204 [(31)] (32){(34)} "Property manager" means an individual who:
205 (a) is licensed or required to be licensed as a property manager under this chapter; and
206 (b)
207 (i) engages in property management; or
207 (ii) advertises or otherwise holds the individual out to be engaged in property management.
- 209 [(32)] (33){(35)} "Real estate" includes leaseholds and business opportunities involving real property.
211 [(33)] (34){(36)}
- (a) "Regular salaried employee" means an individual:
212 (i) who performs a service for wages or other remuneration; and
213 (ii) whose employer withholds federal employment taxes under a contract of hire, written or oral,
express or implied.
- (b) "Regular salaried employee" does not include an individual who performs services on a project-by-
project basis or on a commission basis.
- 217 [(34)] (35){(37)} "Reinstatement" means the restoration of a license that has expired or has been
suspended.
- 219 [(35)] (36){(38)} "Reissuance" means the process by which an individual may obtain a license
following revocation of the license.
- 221 [(36)] (37){(39)} "Renewal" means the extension of a license for an additional licensing period on or
before the [date] day on which the license expires.
- 223 [(37)] (38){(40)} "Reprimand" means a public discipline that declares the conduct of a person as
improper and includes the name of the person.
- 239 (41) "Residential rental unit" means the same as that term is defined in Section 57-22-2.
- 225 [(38)] (39){(42)} "Sales agent" means an individual who is:
226 (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 [(29)] (30);
and
229 (b) licensed, or required to be licensed, under this chapter as a sales agent.
- 230 [(39)] (40){(43)} "Transaction" means, whether complete or incomplete:

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- 231 (a) a purchase of real estate;
232 (b) a sale of real estate;
233 (c) an exchange of real estate;
234 (d) a lease of real estate;
235 (e) an auction of real estate;
236 (f) management of real estate;
237 (g) an option on real estate; or
238 (h) a business opportunity.
- 239 [(40)] (41){(44)} "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.
255 Section 2. Section **61-2f-103** is amended to read:
256 **61-2f-103. Real Estate Commission.**
- 242 (1) There is created within the division a Real Estate Commission.
243 (2) The commission shall:
244 (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~~] consistent with this chapter, including:
247 (i) licensing of:
248 (A) a principal broker;
249 (B) an associate broker;
250 (C) a sales agent;[~~and~~]
251 (D) a dual broker; and
252 [~~(D)~~] (E) on or after July 1, 2026, a property manager;
253 (ii) registration of:
254 (A) an entity;
255 (B) [~~an assumed name-~~] a D.B.A. under which a person conducts business;
256 (C) a branch office; and
257 (D) a property management company;
258 (iii) prelicensing and postlicensing education curricula;
259 (iv) examination procedures;
260 (v) the certification and conduct of:
261 (A) a real estate school;

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- 262 (B) a course provider; or
263 (C) an instructor;
- 264 (vi) proper handling of money [~~received by a licensee~~] that a licensee receives under this chapter;
266 (vii) brokerage office procedures and recordkeeping requirements;
267 (viii) property management;
268 (ix) standards of conduct for a licensee under this chapter;
269 (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;
- 271 (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
- 274 (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real property
transaction;
- 276 (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;
- 279 (c) conduct an administrative hearing not delegated by the commission to an administrative law judge
or the division relating to the:
- 281 (i) licensing of an applicant;
282 (ii) conduct of a licensee;
283 (iii) the certification or conduct of a real estate school, course provider, or instructor regulated under
this chapter; or
- 285 (iv) violation of this chapter by any person;
- 286 (d) with the concurrence of the director, impose a sanction as provided in Section 61-2f-404;
- 288 (e) advise the director on the administration and enforcement of a matter affecting the division and the
real estate sales and property management industries;
- 290 (f) advise the director on matters affecting the division budget;
- 291 (g) advise and assist the director in conducting real estate seminars; and
292 (h) perform other duties as provided by this chapter.
- 293 (3)

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- (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.
- 297 (b) Subsection (3)(a) does not apply to a rule made:
- 298 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or
- 299 (ii) by the Department of Commerce or any division or other rulemaking body within the Department of Commerce.
- 301 (4)
- (a) The commission consists of five members [~~appointed by~~] that the governor appoints and [~~approved by~~]the Senate approves in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- 304 (b) Four of the commission members shall:
- 305 (i) have at least five years' experience in the real estate business; and
- 306 (ii) hold an active principal broker, associate broker, or sales agent license.
- 307 (c) One commission member shall be a member of the general public.
- 308 (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.
- 311 (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.
- 313 (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.
- 316 (b) 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.
- 319 (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.
- 321 (d) A commission member may not serve more than two consecutive terms.
- 322 (e) Members of the commission shall annually select one member to serve as chair.
- 323 (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.

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- 325 (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:
- 327 (a) Section 63A-3-106;
- 328 (b) Section 63A-3-107; and
- 329 (c) rules [~~made by~~]the Division of Finance [~~pursuant to~~] makes in accordance with Sections 63A-3-106
and 63A-3-107.
- 331 (8)
- (a) The commission shall meet at least monthly.
- 332 (b) The director may call additional meetings:
- 333 (i) at the director's discretion;
- 334 (ii) upon the request of the chair; or
- 335 (iii) upon the written request of three or more commission members.
- 336 (9) Three members of the commission constitute a quorum for the transaction of business.
- 337 (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.
- 354 Section 3. Section **61-2f-201** is amended to read:
- 355 **61-2f-201. License required -- Scope of license.**
- 341 (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:
- 343 (a) engage in the business of a principal broker, associate broker, or sales agent;
- 344 (b) act in the capacity of a principal broker, associate broker, or sales agent;
- 345 (c) advertise or assume to act as a principal broker, associate broker, or a sales agent; or
- 346 (d) on or after January 1, 2027, engage in property management.
- 347 (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:
- 350 (a) buying, selling, or exchanging real estate for another person; or
- 351 (b) offering for another person to buy, sell, or exchange real estate.
- 352 (3) Except as provided in Section 61-2f-202.5, unless an individual is licensed as a principal broker,
associate broker, sales agent, dual broker, or property manager, an individual may not, for
consideration:

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- 355 (a) engage in property management; or
356 (b) offer to engage in property management on behalf of another person.
357 (4) An individual licensed as a property manager under this chapter:
358 (a) may do the following for {residential real estate} one or more residential rental units:
359 (i) engage in property management;
360 (ii) offer to engage in property management on behalf of another person; or
361 (iii) advertise or otherwise hold the individual out to be engaged in property management; and
362 (b) may not engage in an activity listed in Subsection (4)(a) in relation to real estate other than
363 {residential real estate} a residential rental unit.

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

381 **61-2f-202. Exempt persons and transactions.**

367 (1) As used in this section, "owner" does not include:

- 368 (a) a person that holds an option to purchase real property;
369 (b) a mortgagee;
370 (c) a beneficiary under a deed of trust;
371 (d) a trustee under a deed of trust; or
372 (e) a person that owns or holds a claim that encumbers any real property or an improvement to the real
property.

374 [(1)] (2)

- (a) Except as provided in Subsection [(1)(b)] (2)(b), a license under this chapter is not required for:
376 (i) a person who as owner or lessor performs an act described in Subsection
[61-2f-102(29)] 61-2f-102(30) with reference to real estate owned or leased by that person;
379 (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(29)(b)(ii)] 61-2f-102(30)(b)(ii) or (iii);
382 (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;
385 (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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- (v) a regular salaried employee of a common interest association who manages real estate subject to the declaration covenants, conditions, and restrictions that established the common interest association;
- 391 (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
- 394 (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:
- 399 (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
- 403 (B) until the day on which each transaction described in Subsection [~~(1)(a)(vii)(A)~~] (2)(a)(vii)(A) is
completed.
- 405 (b) Subsection [~~(1)(a)~~] (2)(a) does not exempt from licensing:
- 406 (i) an employee engaged in the sale of real estate regulated under:
- 407 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or
- 408 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 409 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57, Chapter 23, Real
Estate Cooperative Marketing Act; or
- 411 (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.
- 414 [~~(2)~~] (3) A license under this chapter is not required for:
- 415 (a) an isolated transaction or service by an individual holding an unsolicited, duly executed power of
attorney from a property owner;
- 417 (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;
- 419 (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting under order of a
court;

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- 421 (d) a trustee or employee of a trustee under a deed of trust or a will;
- 422 (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(29)~~] 61-2f-102(30) 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;
- 427 (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:
- 430 (i) the acquisition of real estate [~~pursuant to~~] in accordance with Section 72-5-103;
- 431 (ii) the disposal of real estate [~~pursuant to~~] in accordance with Section 72-5-111;
- 432 (iii) services that constitute property management; or
- 433 (iv) the leasing of real estate; and
- 434 (g) a regular salaried employee of a county, city, or town when performing an act on behalf of the
county, city, or town:
- 436 (i) in accordance with:
- 437 (A) if a regular salaried employee of a city or town:
- 438 (I) Title 10, Utah Municipal Code; or
- 439 (II) Title 11, Cities, Counties, and Local Taxing Units; and
- 440 (B) if a regular salaried employee of a county:
- 441 (I) Title 11, Cities, Counties, and Local Taxing Units; and
- 442 (II) Title 17, Counties; and
- 443 (ii) in connection with one or more of the following:
- 444 (A) the acquisition of real estate, including by eminent domain;
- 445 (B) the disposal of real estate;
- 446 (C) services that constitute property management; or
- 447 (D) the leasing of real estate.
- 448 [~~(3)~~] (4) 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:
- 451 (a)

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- 453 (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
- 454 (ii) the security is registered for sale in accordance with:
- 455 (A) the Securities Act of 1933; or
- 456 (B) Title 61, Chapter 1, Utah Uniform Securities Act; or
- (b)
- (i) ~~[it]~~ the sale or offer for sale of real estate 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~~] in accordance with Regulation D, Rule 506, 17 C.F.R. Sec. 230.506; and
- 460 (ii) the selling agent and the purchaser are not residents of this state.
- 461 ~~[(4)]~~ (5) 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:
- 464 (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;
- 467 (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
- 473 (c) the spouse of an individual serving in the armed forces of the United States or the spouse of a DOD
civilian while the individual or DOD civilian is stationed within this state, if:
- 476 (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
- 478 (ii) the license is current and the spouse is in good standing in the state or jurisdiction of licensure.
- 480 ~~[(5) As used in this section, "owner" does not include:]~~
- 481 ~~[(a) a person who holds an option to purchase real property;]~~
- 482 ~~[(b) a mortgagee;]~~
- 483 ~~[(c) a beneficiary under a deed of trust;]~~
- 484 ~~[(d) a trustee under a deed of trust; or]~~

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485 [~~(e) a person who owns or holds a claim that encumbers any real property or an improvement to the real~~
486 ~~property.]~~

487 (6) The commission, with the concurrence of the division, may provide, by rule made in accordance
488 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the circumstances under which a
489 person or transaction qualifies for an exemption that is described in this section.

506 Section 5. Section **61-2f-202.5** is amended to read:

507 **61-2f-202.5. Exempt individuals and transactions involving property management.**

A license under this chapter is not required for:

- 495 (1) an individual who, as an owner or lessor, performs an act described in Subsection
496 [~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection to real estate owned or leased by that individual;
- 498 (2) an individual who is part of a property owner's immediate family, if the individual performs an act
499 described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection to real estate [~~owned by~~
500] that the property owner owns;
- 501 (3) an unlicensed or remote assistant of a property manager;
- 502 (4) an individual who exclusively performs the following tasks:
- 503 (a) maintenance and repairs on real property; or
- 504 (b) bookkeeping and accounting; or
- 505 (5) a regional manager or a corporate official of a rental agency who does not engage in an act
506 described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a).

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

523 **61-2f-203. Licensing requirements.**

- 524 (1)
- (a)
- (i) The division shall determine whether an applicant with a criminal history qualifies for licensure.
- 526 (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or places a license
527 on probation, the applicant may petition the commission for de novo review of the application.
- 529 (b) Except as provided in Subsection (6), the commission shall determine all other qualifications and
530 requirements of an applicant for:
- 531 (i) a principal broker license;
- 532 (ii) an associate broker license;
- 533 (iii) a sales agent license; or

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- 534 (iv) on or after [~~July 1, 2026~~] January 1, 2027, a property manager license.
- 535 (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.
- 539 (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.
- 545 (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.
- 552 (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 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.
- 558 (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.
- 565 (iii)
- (A) On or after July 1, 2026, 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).

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- 568 (B) On or after July 1, 2026, 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.
- 575 (iv) The division shall create an educational program for a property manager license that:
- 577 (A) requires at least 24 hours of training;
- 578 (B) covers subjects the division determines necessary for the program; and
- 579 (C) establishes the proportion of hours allocated for each subject in the program.
- 580 (v) An hour required by this section means 50 minutes of instruction in each 60 minutes.
- 582 (vi) The maximum number of program hours available to an individual is eight hours per day.
- 584 (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:
- 587 (A) the fundamentals of the English language;
- 588 (B) the fundamentals of arithmetic;
- 589 (C) the fundamentals of bookkeeping;
- 590 (D) the fundamentals of real estate principles and practices;
- 591 (E) this chapter;
- 592 (F) the rules established by the commission with the concurrence of the division; and
- 594 (G) any other aspect of Utah real estate license law considered appropriate.
- 595 (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).
- 600 (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:
- 603 (A) an applicant is licensed as a property manager in another state;
- 604 (B) the division determines an applicant's prior experience warrants a modification of the examination;
or
- 606 (C) the division determines the applicant has good cause for the modification of the examination.

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- 608 (iv) On or after July 1, 2026, an examination for a property manager license shall:
609 (A) cover the topics that appear in the educational program described in Subsection (1)(d)(iv); and
611 (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).
- 613 (f)
(i) Three years' full-time experience as a sales agent or the equivalent is required before an applicant
may apply for, and secure a principal broker or associate broker license in this state.
- 616 (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.
- 620 (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.
- 623 (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).
- 625 (3)
(a) An individual who is not a resident of this state may be licensed in this state if the individual
complies with this chapter.
- 627 (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:
- 629 (i) complying with this chapter; and
630 (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.
- 633 (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.
- 637 (5)

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- 639 (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.
- 642 (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.
- 644 (6)
- 645 (a) Notwithstanding Subsection (1)(b), the commission may delegate to the division the authority to:
- 646 (i) review a class or category of applications for initial or renewed licenses;
- 647 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
- 651 (iii) approve or deny a license application without concurrence by the commission.
- (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.
- 654 (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.
- 656 (7) On or after July 1, 2026, an individual with an active broker, associate broker, or sales agent license
may obtain a property manager license without:
- 657 (a) meeting the education requirement described in Subsection (1)(d)(iii); or
- 658 (b) passing an exam required for a property manager license under Subsection (1)(e).

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

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

- 660 (1)
- 663 (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.
- 667 (b) An applicant for a principal broker, associate broker, 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.
- (c) 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.

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- 669 (d)
- (i) Each of the following applicants shall comply with this Subsection (1)(d):
- 670 (A) a new sales agent applicant;
- 671 (B) a principal broker applicant;
- 672 (C) an associate broker applicant; and
- 673 (D) on or after January 1, 2027, a property manager applicant.
- 674 (ii) An applicant described in this Subsection (1)(d) shall at the time the applicant files an application:
- 676 (A) submit to the division fingerprint cards in a form acceptable to the Department of Public Safety;
- 678 (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;
- 682 (C) consent to a criminal background check by the Utah Bureau of Criminal Identification and the Federal Bureau of Investigation; and
- 684 (D) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 685 (iii) The Bureau of Criminal Identification shall:
- 686 (A) check the fingerprints an applicant submits under Subsection (1)(d)(ii) against the applicable state, regional, and national criminal records databases, including the Federal Bureau of Investigation Next Generation Identification System;
- 690 (B) report the results of the background check to the division;
- 691 (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;
- 694 (D) request that 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
- 698 (E) ensure that the division only receives notifications for an individual with whom the division maintains permission to receive notifications.
- 700 (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).

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- 705 (B) The Bureau of Criminal Identification may collect from the division money for services provided
under this section.
- 707 (v) Money paid to the division by an applicant for the cost of the criminal background check is
nonlapsing.
- 709 (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.
- 713 (e)
- (i) A license issued under Subsection (1)(d) is conditional, pending completion of the criminal
background check.
- 715 (ii) If a criminal background check discloses that an applicant fails to accurately disclose a criminal
history, the division:
- 717 (A) shall review the application; and
- 718 (B) in accordance with rules made by the division pursuant to Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, may:
- 720 (I) place a condition on a license;
- 721 (II) place a restriction on a license;
- 722 (III) revoke a license; or
- 723 (IV) refer the application to the commission for a decision.
- 724 (iii)
- (A) 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.
- 727 (B) The division shall conduct a hearing described in Subsection (1)(e)(iii)(A) in accordance with Title
63G, Chapter 4, Administrative Procedures Act.
- 729 (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):
- 731 (A) the division; or
- 732 (B) the division with the concurrence of the commission.
- 733 (v) The presiding officer shall decide whether to grant relief from an action under this Subsection (1)(e).
- 735

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(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.

738 (2)

(a)

(i) A license expires if the license is not renewed on or before the expiration date of the license.

740 (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.

743 (iii) In making a rule described in Subsection (2)(c)(ii), the division and commission shall consider:

745 (A) evaluating continuing education based on competency, rather than course time;

746 (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

749 (C) allowing completion of courses that will increase a licensee's professional competency in the area of practice of the licensee.

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

754 (A) military service; or

755 (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.

759 (b) For a period of 30 days after the day on which a license expires, the division may reinstate the license:

761 (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

764 (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

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the division under Section 63J-1-504, and providing proof acceptable to the division and the commission of the licensee having:

- 769 (A) completed the hours of education required by Subsection (2)(a); or
770 (B) demonstrated competence as required under Subsection (2)(a).
771 (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 if the applicant:
774 (i) pays a renewal fee and a late fee determined by the commission with the concurrence of the division
under Section 63J-1-504; and
776 (ii) provides proof acceptable to the division and the commission of the licensee having:
778 (A) completed the hours of education required by Subsection (2)(a); or
779 (B) demonstrated competence as required under Subsection (2)(a).
780 (d) The division shall relicense an individual who does not renew that individual's license within one
year as prescribed for an original application.
782 (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:
784 (i)
(A) the individual complies with the requirements of this section to renew the license; and
786 (B) the renewal application remains pending at the time of the extension; or
787 (ii) at the time of the extension, there is pending a disciplinary action under this chapter.
789 (f) Each applicant for renewal or reinstatement of a license to practice as a sales agent, principal broker,
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:
793 (i) submit fingerprint cards in a form acceptable to the Department of Public Safety;
794 (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;
798 (iii) consent to a fingerprint background check by the Utah Bureau of Criminal Identification and the
Federal Bureau of Investigation; and
800 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
801 (3)

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(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:

(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

(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.

(b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the division, establish by rule:

(i) the nature or type of continuing education required for reactivation of a license; and

(ii) how long before reactivation the continuing education must be completed.

Section 8. Section **61-2f-302** is amended to read:

61-2f-302. Affiliation with a principal broker.

(1) An individual who is not a principal broker may not engage in an act described in Section 61-2f-201 unless the individual is affiliated with a principal broker as:

(a) an associate broker; or

(b) a sales agent.

(2)

(a) An inactive associate broker or sales agent may not conduct a real estate transaction until the inactive associate broker or sales agent becomes affiliated with a principal broker and submits the required documentation to the division.

(b) An inactive principal broker may not conduct a real estate transaction until the principal broker's license is activated with the division.

(3) A sales agent or associate broker may not affiliate with more than one principal broker at the same time.

(4) An individual may not be a principal broker of an entity and a sales agent or associate broker for a different entity at the same time.

(5) An owner, purchaser, lessor, or lessee who engages the services of a principal broker may designate which sales agents or associate brokers affiliated with that principal broker will also represent that owner, purchaser, lessor, or lessee in the purchase, sale, lease, or exchange of real estate, or in exercising an option relating to real estate.

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- 526 (6)
- {(a)} ~~{An}~~ Subject to Subsection (8), an individual {who is} licensed as a property manager under this chapter and is {employed by a person that is required to affiliate with} engaged, whether as an employee or an independent contractor, to perform real estate-related services by or on behalf of a principal broker {under this section}, associate broker, or sales agent, shall affiliate with {the} a principal broker before:
- 529 (i){(a)} engaging in property management;
- 530 (ii){(b)} offering to engage in property management on behalf of another person; or
- 531 (iii){(c)} advertising or otherwise holding the individual out to be engaged in property management.
- 533 (b){(7)} An individual {who is licensed as a} described in Subsection (6) shall affiliate the individual's property manager {under this chapter and is not employed by a person that is required to affiliate with a principal broker under this section, is not required to affiliate with a principal broker.} license with:
- 844 (a) the same principal broker with whom the associate broker or sales agent for whom the property manager performs real estate-related services is affiliated; or
- 846 (b) the person that the individual's employer or the person with whom the individual contracts is affiliated.
- 848 (8) An individual is not required to affiliate with a principal broker if:
- 849 (a) the individual is licensed as a property manager under this chapter; and
- 850 (b)
- (i) is not subject to the affiliation requirements described in Subsection (6);
- 851 (ii) is employed by a property management company that managed at least 750 residential rental units in this state in any of the three previous calendar years; or
- 853 (iii) is employed by a housing authority, as that term is defined in Section 35A-8-401.
- 854 Section 9. Section **61-2f-309** is amended to read:
- 855 **61-2f-309. Record requirements.**
- 538 [(1) A brokerage shall make or possess any applicable record required for the brokerage to maintain by rule made by the commission pursuant to Section 61-2f-103 for the time period specified in Subsection (2).]
- A brokerage and a property manager described in Subsection 61-2f-302(8) shall:

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- 542 (1) maintain and safeguard the following records to the extent the records relate to the business of a
principal broker:
- 544 (a) trust account records, including the monthly reconciliation of the trust account;
- 545 (b) each document that a licensee affiliated with the principal broker submits to a lender or underwriter
as part of a real estate transaction;
- 547 (c) each document {a seller or buyer} ~~the parties to a transaction jointly execute~~, {with whom} if the
principal broker or an affiliated licensee is required to have an agency agreement{, signs} ; and
- 549 (d) each document that a licensee, over whom the principal broker has supervisory responsibility in
accordance with Subsection (1)(c), executes;
- 551 (2) maintain the records identified in Subsection (1):
- 552 (a)
- 553 (i) physically:
- 554 (A) at the principal business location that the principal broker designates on division records; or
- 555 (B) where applicable, at a branch office that the principal broker designates on division records; or
- 557 (ii) electronically, in a storage system that complies with Title 46, Chapter 4, Uniform Electronic
Transactions Act; and
- 559 (b) for at least three calendar years after the year in which:
- 560 (i) an offer is rejected;
- 561 (ii) a transaction either closes or fails;
- 562 (iii) in a lease transaction, a lease agreement {terminates} commences; or
- 563 (iv) the term of a property management agreement ends;
- 564 (3) upon request of the division, make a record identified in Subsection (1) available for inspection and
copying by the division;
- 566 (4) notify the division, in writing within ten business days after the day on which the brokerage
terminates business operations, of where the brokerage will maintain business records; and
- 569 (5) upon filing for brokerage bankruptcy, notify the division, in writing, of:
- 570 (a) the brokerage bankruptcy filing; and
- 571 (b) the current location of each record identified in Subsection (1).
- 572 [~~(2) A brokerage shall maintain and safeguard in the brokerage's possession a record described in~~
~~Subsection (1) for three years following:]~~
- 574 [(a) ~~the day the transaction either closes or fails;]~~

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575 [~~(b) in a lease transaction, the day of the commencement of the lease;~~]

576 [~~(c) the day an offer is rejected; or]~~

577 [~~(d) the end of the term of a property management agreement.]~~

896 Section 10. Section **61-2f-402** is amended to read:

897 **61-2f-402. Investigations -- Disciplinary actions.**

580 (1)

(a) The division may conduct a public or private investigation within or outside of this state as the division considers necessary to determine whether a person has violated, is violating, or is about to violate this chapter or any rule or order under this chapter.

584 (b) If a person makes a report that the person suspects or knows that a person has violated, is violating, or will violate this chapter or a rule or order issued in accordance with this chapter, the person shall make a report only to the division in a form the division approves.

588 ~~{(2)}~~ Except for an action initiated in a court with jurisdiction, the division has exclusive jurisdiction to investigate and enforce a violation or an alleged violation of this chapter.

909 (2) To aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter, the division may require or permit a person to file a statement in writing, under oath or otherwise as to the facts and circumstances concerning the matter to be investigated.

592 (3)

(a) For the purpose of the investigation described in Subsection (1), the division or an employee [designated by] that the division designates may:

594 (i) administer an oath or affirmation;

595 (ii) issue a subpoena that requires:

596 (A) the attendance and testimony of a witness; or

597 (B) the production of evidence;

598 (iii) take evidence;

599 (iv) require the production of a book, paper, contract, record, other document, or information relevant to the investigation; and

601 (v) serve a subpoena by certified mail.

602 (b) The division may not require the production of evidence, book, paper, contract, record, other document, or information required to be kept by a brokerage, or licensee [~~pursuant to~~] in accordance

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with Section 61-2f-309 after the expiration of the time in which the brokerage is required to maintain and safeguard the record as described in Section 61-2f-309.

- 607 (4)
- (a) A court [~~of competent~~] with jurisdiction shall enforce, according to the practice and procedure of the court, a subpoena [~~issued by~~] that the division issues.
- 609 (b) The division shall pay any witness fee, travel expense, mileage, or any other fee required by the service statutes of the state where the witness or evidence is located.
- 611 (5)
- (a) Except as provided in Subsections (5)(b) and (c), the division shall commence an adjudicative proceeding under this chapter no later than the earlier of the following:
- 613 (i) two years after the day on which the violation is reported to the division; or
- 614 (ii) the [~~date~~] day on which the brokerage is no longer required to keep and maintain the records as provided in Section 61-2f-309.
- 616 (b) The division may commence an adjudicative proceeding under this chapter after the time period described in Subsection (5)(a) expires if:
- 618 (i)
- (A) the adjudicative proceeding is in response to a civil or criminal judgment or settlement; and
- 620 (B) the division commences an adjudicative proceeding no later than one year after the day on which the judgment is issued or the settlement is final; or
- 622 (ii) the division and the person subject to an adjudicative proceeding enter into a written stipulation to extend the time period described in Subsection (5)(a).
- 624 (c) The time period described in Subsection (5)(a) is tolled during the division's enforcement of a subpoena under Subsection (4), including any resulting appeals.
- 626 (6)
- (a) The division may publish notices of admonition, reprimand, suspension, revocation, and surrender with discipline pending in the division newsletter.
- 628 (b) Nothing in this Subsection (6) [~~shall be construed to restrict~~] restricts the division's publication of information, including orders, irrespective of [~~their~~] the information's style or format, on the division's website.
- 631 (c) Nothing in this Subsection (6) [~~shall be construed to restrict~~] restricts the division's publication of information as required by Title 52, Chapter 4, Open and Public Meetings Act.

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955 Section 11. Section **61-2f-411** is amended to read:

956 **61-2f-411. Enforcement related to a property manager -- Maintenance of client funds.**

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

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

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

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

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

642 (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for referring a
prospective client;

644 (c) accept a referral fee from an individual, whether licensed or unlicensed;

645 (d) contract for services, pay bills, and act on behalf of an owner as provided in a management
agreement; and

647 (e) advertise properties for rent or lease.

648 (3) Except as provided in Subsection (4), and subject to Subsection (5), a property manager shall
associate with at least one real estate trust account in a bank or credit union:

650 (a) located within the state;

651 (b) that, unless otherwise modified by a contract for property management, one or more property
managers use for the purpose of securing:

653 (i) tenant security deposits;

654 (ii) rent;

655 (iii) money tendered by a property owner as a reserve fund or for payment of an unexpected expense;
and

657 (iv) any other purpose designated by the commission; and

658 (c) that is non-interest bearing, unless the parties to a property management contract:

659 (i) agree in writing to deposit the funds in an interest-bearing account;

660 (ii) designate in writing the individuals to whom the parties will pay the interest on completion or
failure of the property management contract; and

662 (iii) ensure that the parties and trust account comply with any other rules established by the commission
or division.

664 (4) Except as provided in Subsection (5), ~~a property manager {f} who obtains and holds a security
bond that protects at least 30% of the estimated property management client funds is not required to~~

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maintain the estimated property management client funds in a trust account.] a property manager is not required to maintain the property management client funds in a trust account if:

- 669 (a) the property owner agrees in the property management agreement that the property manager is not
required to hold property management client funds in a trust account; and
- 672 (b) { each individual who is responsible for paying rent under } a lease agreement { in a property that the
property manager will manage agrees in the individual's lease agreement } states that the property
manager is not required to hold property management client funds in a trust account.
- 676 (5) A property manager who is affiliated with a principal broker shall keep property management client
funds in the principal broker's trust account in accordance with:
- 678 (a) rules established by the commission or division; and
- 679 (b) requirements established by the principal broker.

999 Section 12. **Repealer.**

This Bill Repeals:

1000 This bill repeals:

1001 Section **61-2f-101, Title.**

1002 Section 13. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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