

Employee Disclosure Requirements

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lisa Shepherd

Senate Sponsor:

LONG TITLE**General Description:**

This bill modifies provisions relating to an employee's compensation.

Highlighted Provisions:

This bill:

- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

34-28-2, as last amended by Laws of Utah 2018, Chapter 386

34-28-4, as last amended by Laws of Utah 2018, Chapter 148

34-28-12, as last amended by Laws of Utah 2018, Chapter 148

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

Section 1. Section **34-28-2** is amended to read:

34-28-2 . Definitions -- Unincorporated entities -- Joint employers -- Franchisors.

(1) As used in this chapter:

(a) "Commission" means the Labor Commission created in Section 34A-1-103.

(b) "Division" means the Division of Antidiscrimination and Labor created in Section 34A-1-202.

(c)(i) "Employer" means the same as that term is defined in 29 U.S.C. Sec. 203.

(ii) "Employer" [~~does not include an individual who is not~~] includes an individual who is:

(A) an officer;

(B) a manager of a manager-managed limited liability company;

- (C) a member of a member-managed limited liability company;
- (D) a general partner of a limited partnership; or
- (E) a partner of a partnership.
- (d) "Federal executive agency" means an executive agency, as defined in 5 U.S.C. Sec. 105, of the federal government.
- (e) "Franchise" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- (f) "Franchisee" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- (g) "Franchisor" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- (h) "Unincorporated entity" means an entity organized or doing business in the state that is not:
- (i) an individual;
 - (ii) a corporation; or
 - (iii) publicly traded.
- (i) ~~["Wages" means the amounts due the employee for labor or services, whether the amount is fixed or ascertained on a time, task, piece, commission basis or other method of calculating such amount.]~~ "Wages" means compensation an employer owes to an employee for labor or a service, regardless of how the employer calculates the amount owed to the employee.
- (2)(a) ~~[For purposes of this chapter,]~~ There is a rebuttable presumption that an unincorporated entity that is required to be licensed under Title 58, Chapter 55, Utah Construction Trades Licensing Act, ~~[, is presumed to be the employer of]~~ employs each individual who ~~[,]~~ directly or indirectly[,] holds an ownership interest in the unincorporated entity.
- (b) ~~[Pursuant to rules made by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, an]~~ An unincorporated entity may rebut the presumption ~~[under Subsection (2)(a) for an individual]~~ by establishing by clear and convincing evidence that the individual:
- (i) is an active manager of the unincorporated entity;
 - (ii) directly or indirectly holds at least an 8% ownership interest in the unincorporated entity; or
 - (iii) is not subject to supervision or control in the performance of work by:
 - (A) the unincorporated entity; or
 - (B) a person with whom the unincorporated entity contracts.
- (c) ~~[As part of the rules made under Subsection (2)(b), the commission may define]~~ The

commission may define by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

- (i) "active manager";
- (ii) "directly or indirectly holds at least an 8% ownership interest"; and
- (iii) "subject to supervision or control in the performance of work."

(d) ~~[The commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, may establish a procedure, consistent with Section 34-28-7, under which an unincorporated entity may seek approval of a mutual agreement to pay wages on non-regular paydays.]~~ The commission may establish, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, a procedure consistent with Section 34-28-7 that allows an unincorporated entity to seek approval of a mutual agreement to pay wages on non-regular paydays.

(3) ~~[For purposes of determining whether two or more persons are considered joint employers under this chapter, an administrative ruling of a federal executive agency may not be considered a generally applicable law unless that]~~ An administrative ruling of a federal executive agency may not be considered a generally applicable law when determining whether two or more persons are joint employers unless:

- (a) a court determines the administrative ruling is [determined to be generally applicable by a court of law, or adopted by statute or rule] generally applicable; or
- (b) the commission makes a rule adopting the administrative ruling.

(4)(a) ~~[For]~~ Except as provided in Subsection (4)(b), [purposes of this chapter, a franchisor is not considered to be an employer of] a franchisor is not an employer of:

- (i) a franchisee; or
- (ii) a franchisee's employee.

(b) ~~[With respect to a specific claim for relief under this chapter made by a franchisee or a franchisee's employee, this Subsection (4) does not apply to a franchisor under a franchise that exercises a type or degree of control over the franchisee or the franchisee's employee not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademarks and brand.]~~ Subsection (4)(a) does not apply to a franchisor in a specific claim for relief under this chapter if the franchisor exercises a type or degree of control over the franchisee or the franchisee's employee that a franchisor does not customarily exercise to protect the franchisor's trademark or brand.

Section 2. Section ~~34-28-4~~ is amended to read:

34-28-4 . Notice of paydays.

~~[(1) It shall be the duty of every employer to notify the employer's employees at the time of hiring of the day and place of payment, of the rate of pay, and of any change with respect to any of these items prior to the time of the change. Alternatively, however, every employer shall have the option of giving such notification by posting these facts and keeping them posted conspicuously at or near the place of work where such posted notice can be seen by each employee as the employee comes or goes to the employee's place of work.]~~

(1) An employer shall notify each employee at the time of hiring of:

(a) the day and place of payment; and

(b) the rate of pay.

(2) An employer shall notify each employee of a change to the day or place of payment or the rate of pay before the change takes effect.

(3) An employer may satisfy the notification requirements under this section by conspicuously posting notice of the required information in a location where each employee may see the notice when arriving or leaving the workplace.

~~[(2) Failure to post and to keep posted any notice or failure to give notice as prescribed in this section is a class B misdemeanor.]~~

Section 3. Section **34-28-12** is amended to read:

34-28-12 . Violations -- Misdemeanor.

(1) ~~[Any employer who]~~ An employer that violates or fails to comply with ~~[any of the provisions]~~ a provision of this chapter is guilty of a class B misdemeanor.

(2) An employer is guilty of a class B misdemeanor if the employer:

(a) refuses to pay the wages due to an employee;

(b) falsifies the amount of wages earned or falsely denies that wages are due to an employee to:

(i) reduce the amount of wages due to the employee; or

(ii) delay or defraud the employee; or

(c) hires an additional employee without disclosing to the additional employee an unsatisfied unpaid wage claim or judgment.

~~[(2) Any employer who shall refuse to pay the wages due and payable when demanded as in this chapter provided, or who shall falsely deny the amount thereof, or that the same is due, with intent to secure for the employer or any other person any discount upon such indebtedness or with intent to annoy, harass, oppress, hinder, delay or defraud the person~~

133 to whom such indebtedness is due, or who hires additional employees without advising
134 each of them of every wage claim due and unpaid and of every judgment that the
135 employer has failed to satisfy, is guilty of a class B misdemeanor.]

136 Section 4. **Effective Date.**

137 This bill takes effect on May 6, 2026.