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Real Estate Amendments
2026 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

2

LONG TITLE

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General Description:

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This bill amends provisions relating to real estate.

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Highlighted Provisions:

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This bill:

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- ▶ defines terms;

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

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

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- ▶ establishes the scope of a property manager license;

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- ▶ 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;

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- ▶ provides that an individual who holds 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;

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

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- ▶ provides requirements for the records that a brokerage is required to maintain;

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

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- ▶ makes technical changes.

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Money Appropriated in this Bill:

None

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Other Special Clauses:

None

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Utah Code Sections Affected:

H.B. 377

31 AMENDS:

32 **61-2f-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

33 **61-2f-103**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

34 **61-2f-201**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

35 **61-2f-202**, as last amended by Laws of Utah 2025, Chapter 248

36 **61-2f-202.5**, as enacted by Laws of Utah 2025, Chapter 248

37 **61-2f-302**, as last amended by Laws of Utah 2010, Chapter 184 and renumbered and
38 amended by Laws of Utah 2010, Chapter 379

39 **61-2f-309**, as enacted by Laws of Utah 2025, Chapter 263

40 **61-2f-402**, as last amended by Laws of Utah 2025, Chapter 263

41 **61-2f-411**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

42 REPEALS:

43 **61-2f-101**, as enacted by Laws of Utah 2010, Chapter 379

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

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

47 **61-2f-102 . Definitions.**

48 As used in this chapter:

49 (1) "Admonition" means a public discipline that declares the conduct of a person as
50 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
53 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
57 person as being engaged in the profession of real estate if the social media post does
58 not:

59 (i) promote the availability of real estate, an option on real estate, or a business
60 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
64 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
67 broker to perform an act described in Subsection [(29)] (30) for valuable
68 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
71 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
73 principal broker's main office.

74 (7) "Brokerage" means an entity registered or required to be registered with the division [
75 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;

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
85 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
88 57-1-46.

89 (13) "Concurrence" means the entities given a concurring role [must] shall jointly agree for
90 action to be taken.

91 (14)(a) "Condominium hotel" means one or more condominium units that are operated
92 as a hotel.

93 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of
94 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

99 Division of Corporations and Commercial Code that allows a business to operate under
100 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
103 order to function as the principal broker of a property management company that is a
104 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;
- 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)
115 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
119 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
125 Subsection [(23)(a)] (24)(a); or
 - 126 (ii) negotiation of the terms in relationship to an act described in Subsection [(23)(a)]
127 (24)(a).

128 [(24)] (25) "Loan modification assistance" means, for compensation or with the expectation
129 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
132 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
136 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
143 mortgage loan; or
144 (b) as an employee or agent of another person:
145 (i) a solicitation or an offer that the other person will engage in an act described in
146 Subsection [(24)(a)] (25)(a); or
147 (ii) negotiation of the terms in relationship to an act described in Subsection [(24)(a)]
148 (25)(a).
149 [(25)] (26) "Main office" means the address that a principal broker designates with the
150 division as the principal broker's primary brokerage office.
151 [(26)] (27) "Manufactured home" means the same as that term is defined in Section
152 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
158 foreclosure rescue, a business opportunity, or, unless licensed with the Division of
159 Professional Licensing as a dealer under Title 58, Chapter 56, Building Inspector
160 and Factory Built Housing Licensing Act, factory built housing, with the
161 expectation of receiving valuable consideration;
162 (ii) buys, exchanges, or auctions real estate, an option on real estate, a business
163 opportunity, or, unless licensed with the Division of Professional Licensing as a
164 dealer under Title 58, Chapter 56, Building Inspector and Factory Built Housing
165 Licensing Act, factory built housing, with the expectation of receiving valuable
166 consideration;

167 (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged
168 in the business described in Subsection [(29)(a)] (30)(a) or (b)(ii);
169 (iv) is employed by or on behalf of the owner of real estate or by a prospective
170 purchaser of real estate and performs an act described in Subsection [(29)(a)]
171 (30)(a), whether the individual's compensation is at a stated salary, a commission
172 basis, upon a salary and commission basis, or otherwise;
173 (v) with the expectation of receiving valuable consideration, manages property
174 owned by another person;
175 (vi) advertises or otherwise holds the individual out to be engaged in property
176 management;
177 (vii) with the expectation of receiving valuable consideration, assists or directs in the
178 procurement of prospects for or the negotiation of a transaction listed in
179 Subsections [(29)(a)] (30)(a) and [(v)] (b)(v);
180 (viii) except for a mortgage lender, title insurance producer, or an employee of a
181 mortgage lender or title insurance producer, assists or directs in the closing of a
182 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
185 foreclosure rescue.

186 [(30)] (31)(a) "Property management" means the management of real estate owned by
187 another person, with the expectation of receiving valuable consideration, or
188 advertising or otherwise claiming to be engaged in the management of real estate
189 owned by another person, by:
190 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or
191 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
193 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,
198 condominiums, condominium hotels, mobile home park accommodations,
199 campgrounds, or similar public accommodations for a period of less than 30
200 consecutive days, and the management activities associated with these rentals; or

(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.

[(31)] (32) "Property manager" means an individual who:

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

[{32}] (33) "Real estate" includes leaseholds and business opportunities involving real property.

[(33)] (34)(a) "Regular salaried employee" means an individual:

- (i) who performs a service for wages or other remuneration; and
- (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.

[{34}] (35) "Reinstatement" means the restoration of a license that has expired or has been suspended.

[(35)] [(36)] "Reissuance" means the process by which an individual may obtain a license following revocation of the license.

[36] (37) "Renewal" means the extension of a license for an additional licensing period on or before the [date] day on which the license expires.

[37] (38) "Reprimand" means a public discipline that declares the conduct of a person as improper and includes the name of the person.

[⁽³⁸⁾] (39) "Sales agent" means an individual who is:

- (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
- (b) licensed, or required to be licensed, under this chapter as a sales agent.

[(39)] (40) "Transaction" means, whether complete or incomplete:

- (a) a purchase of real estate;
- (b) a sale of real estate;
- (c) an exchange of real estate;
- (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 "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.

240 Section 2. Section **61-2f-103** is amended to read:

241 **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,

245 Utah Administrative Rulemaking Act, make rules for the administration of this
246 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;

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
265 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
270 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
272 principal broker dies, is incapacitated, or is unable to perform the duties of a
273 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
275 property transaction;

276 (b) establish, with the concurrence of the division, a fee provided for in this chapter,
277 except a fee imposed under Part 5, Real Estate Education, Research, and Recovery
278 Fund Act;

279 (c) conduct an administrative hearing not delegated by the commission to an
280 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
284 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
287 61-2f-404;

288 (e) advise the director on the administration and enforcement of a matter affecting the
289 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)(a) Except as provided in Subsection (3)(b), a state entity may not, without the
294 concurrence of the commission, make a rule that changes the rights, duties, or
295 obligations of buyers, sellers, or persons licensed under this chapter in relation to a
296 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
300 the Department of Commerce.

301 (4)(a) The commission consists of five members appointed by that the governor
302 appoints and approved by the Senate approves in accordance with Title 63G,

303 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)
309 who, at the time of appointment, resides in the same county in the state as another
310 commission member.

311 (e) At least one commission member described in Subsection (4)(b) shall at the time of
312 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
314 expire, the governor shall appoint each new member or reappointed member to a
315 four-year term ending June 30.

316 (b) The governor shall, at the time of appointment or reappointment, adjust the length of
317 terms to ensure that the terms of commission members are staggered so that
318 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
320 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
324 and consent of the Senate, shall appoint a replacement for the unexpired term.

325 (7) A member may not receive compensation or benefits for the member's service, but may
326 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
330 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
338 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

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

340 **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
342 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) engage in property management.

347 (2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a
348 principal broker, associate broker, or a sales agent if the individual performs, offers to
349 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
353 principal broker, associate broker, sales agent, dual broker, or property manager, an
354 individual may not, for consideration:

- 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:

- 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

- 363 (b) may not engage in an activity listed in Subsection (4)(a) in relation to real estate
other than residential real estate.

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

366 **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
373 improvement to the real property.

374 [(4)] (2)(a) Except as provided in Subsection [(4)(b)] (2)(b), a license under this chapter is
375 not required for:

376 (i) a person who as owner or lessor performs an act described in Subsection [
377 61-2f-102(29)] 61-2f-102(30) with reference to real estate owned or leased by that
378 person;

379 (ii) a regular salaried employee of the owner or lessor of real estate who, with
380 reference to nonresidential real estate owned or leased by the employer, performs
381 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
383 management services with reference to real estate owned by the employer, except
384 that the employee may only manage real estate for one employer;

385 (iv) an individual who performs property management services for the apartments at
386 which that individual resides in exchange for free or reduced rent on that
387 individual's apartment;

388 (v) a regular salaried employee of a common interest association who manages real
389 estate subject to the declaration covenants, conditions, and restrictions that
390 established the common interest association;

391 (vi) a regular salaried employee of a licensed property management company or real
392 estate brokerage who performs support services, as prescribed by rule, for the
393 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
395 duties of a principal broker, an individual qualified and designated as the
396 commission determines by rule made in accordance with Title 63G, Chapter 3,
397 Utah Administrative Rulemaking Act, with the concurrence of the division, as an
398 acting principal broker:

399 (A) in relation to each transaction pending on the day on which the principal
400 broker dies, becomes incapacitated, or becomes unable to perform the duties of
401 a principal broker, including the distribution of compensation for each
402 transaction; and

403 (B) until the day on which each transaction described in Subsection [(1)(a)(vii)(A)]
404 (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,

410 Chapter 23, Real Estate Cooperative Marketing Act; or

411 (iii) an individual whose interest as an owner or lessor is obtained by that individual

412 or transferred to that individual for the purpose of evading the application of this

413 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

416 executed power of attorney from a property owner;

417 (b) subject to Subsection 61-2f-401(5), services rendered by an attorney admitted to

418 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

420 under order of a court;

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

423 utility, unless performance of an act described in Subsection [61-2f-102(29)]

424 61-2f-102(30) is in connection with the sale, purchase, lease, or other disposition of

425 real estate or investment in real estate unrelated to the principal business activity of

426 that public utility;

427 (f) a regular salaried employee or authorized agent working under the oversight of the

428 Department of Transportation when performing an act on behalf of the Department of

429 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

435 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

- (II) Title 11, Cities, Counties, and Local Taxing Units; and
- (B) if a regular salaried employee of a county:
 - (I) Title 11, Cities, Counties, and Local Taxing Units; and
 - (II) Title 17, Counties; and
- (ii) in connection with one or more of the following:
 - (A) the acquisition of real estate, including by eminent domain;
 - (B) the disposal of real estate;
 - (C) services that constitute property management; or
 - (D) the leasing of real estate.

[~~(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:

- (a)(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
- (ii) the security is registered for sale in accordance with:
 - (A) the Securities Act of 1933; or
 - (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

- (ii) the selling agent and the purchaser are not residents of this state.

[~~(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:

- (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;
- (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
474 spouse of a DOD civilian while the individual or DOD civilian is stationed within
475 this state, if:
476 (i) the spouse holds a valid license to practice the regulated occupation or profession
477 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
479 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 ~~(e) a beneficiary under a deed of trust;~~
484 ~~(d) a trustee under a deed of trust; or~~
485 ~~(e) a person who owns or holds a claim that encumbers any real property or an
486 improvement to the real property.]~~

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

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

492 **61-2f-202.5 . Exempt individuals and transactions involving property
493 management.**

494 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
497 individual;
498 (2) an individual who is part of a property owner's immediate family, if the individual
499 performs an act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection
500 to real estate [~~owned by~~] 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
506 act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a).

507 Section 6. Section **61-2f-302** is amended to read:

508 **61-2f-302 . Affiliation with a principal broker.**

509 (1) An individual who is not a principal broker may not engage in an act described in
510 Section 61-2f-201 unless the individual is affiliated with a principal broker as:
511 (a) an associate broker; or
512 (b) a sales agent.

513 (2)(a) An inactive associate broker or sales agent may not conduct a real estate
514 transaction until the inactive associate broker or sales agent becomes affiliated with a
515 principal broker and submits the required documentation to the division.
516 (b) An inactive principal broker may not conduct a real estate transaction until the
517 principal broker's license is activated with the division.

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

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

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

526 (6)(a) An individual who is licensed as a property manager under this chapter and is
527 employed by a person that is required to affiliate with a principal broker under this
528 section, shall affiliate with the principal broker before:

529 (i) engaging in property management;
530 (ii) offering to engage in property management on behalf of another person; or
531 (iii) advertising or otherwise holding the individual out to be engaged in property
532 management.

533 (b) An individual who is licensed as a property manager under this chapter and is not
534 employed by a person that is required to affiliate with a principal broker under this
535 section, is not required to affiliate with a principal broker.

536 Section 7. Section **61-2f-309** is amended to read:

537 **61-2f-309 . Record requirements.**

538 [(1) A brokerage shall make or possess any applicable record required for the brokerage to
539 maintain by rule made by the commission pursuant to Section 61-2f-103 for the time
540 period specified in Subsection (2).]

541 A brokerage shall:

542 (1) maintain and safeguard the following records to the extent the records relate to the
543 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
546 or underwriter as part of a real estate transaction;
547 (c) each document a seller or buyer, with whom the principal broker or an affiliated
548 licensee is required to have an agency agreement, signs; and
549 (d) each document that a licensee, over whom the principal broker has supervisory
550 responsibility in accordance with Subsection (1)(c), executes;

551 (2) maintain the records identified in Subsection (1):

552 (a)(i) physically:

553 (A) at the principal business location that the principal broker designates on
554 division records; or
555 (B) where applicable, at a branch office that the principal broker designates on
556 division records; or
557 (ii) electronically, in a storage system that complies with Title 46, Chapter 4,
558 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; 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
565 inspection and copying by the division;

566 (4) notify the division, in writing within ten business days after the day on which the
567 brokerage terminates business operations, of where the brokerage will maintain business
568 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
573 described in Subsection (1) for three years following:]
574 [(a) the day the transaction either closes or fails;]

575 [~~(b) in a lease transaction, the day of the commencement of the lease;~~]
576 [~~(e) the day an offer is rejected; or~~]
577 [~~(d) the end of the term of a property management agreement.~~]

578 Section 8. Section **61-2f-402** is amended to read:

579 **61-2f-402 . Investigations -- Disciplinary actions.**

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

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

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

592 (3)(a) For the purpose of the investigation described in Subsection (1), the division or an
593 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
600 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,
603 record, other document, or information required to be kept by a brokerage, or
604 licensee ~~[pursuant to]~~ in accordance with Section 61-2f-309 after the expiration of the
605 time in which the brokerage is required to maintain and safeguard the record as
606 described in Section 61-2f-309.

607 (4)(a) A court ~~[of competent]~~ with jurisdiction shall enforce, according to the practice
608 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
610 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
612 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
615 the records as provided in Section 61-2f-309.

616 (b) The division may commence an adjudicative proceeding under this chapter after the
617 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
619 settlement; and
620 (B) the division commences an adjudicative proceeding no later than one year
621 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
623 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
625 enforcement of a subpoena under Subsection (4), including any resulting appeals.

626 (6)(a) The division may publish notices of admonition, reprimand, suspension,
627 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
629 publication of information, including orders, irrespective of ~~[their]~~ the information's
630 style or format, on the division's website.

631 (c) Nothing in this Subsection (6) ~~[shall be construed to restrict]~~ restricts the division's
632 publication of information as required by Title 52, Chapter 4, Open and Public
633 Meetings Act.

634 Section 9. Section **61-2f-411** is amended to read:

635 **61-2f-411 . Enforcement related to a property manager -- Maintenance of client
636 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

643 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

646 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

649 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

652 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

656 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

661 completion or failure of the property management contract; and

662 (iii) ensure that the parties and trust account comply with any other rules established

663 by the commission or division.

664 (4) Except as provided in Subsection (5), a property manager[~~who obtains and holds a~~

665 ~~security bond that protects at least 30% of the estimated property management client~~

666 ~~funds is not required to maintain the estimated property management client funds in a~~

667 ~~trust account.]~~ is not required to maintain the property management client funds in a

668 trust account if:

669 (a) the property owner agrees in the property management agreement that the property

670 manager is not required to hold property management client funds in a trust account;

671 and

672 (b) each individual who is responsible for paying rent under a lease agreement in a

673 property that the property manager will manage agrees in the individual's lease

674 agreement that the property manager is not required to hold property management

675 client funds in a trust account.

676 (5) A property manager who is affiliated with a principal broker shall keep property

677 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.

680 Section 10. **Repealer.**

681 This bill repeals:

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

683 Section 11. **Effective Date.**

684 This bill takes effect on May 6, 2026.