

Calvin R. Musselman proposes the following substitute bill:

**Real Estate Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: R. Neil Walter**

Senate Sponsor: Calvin R. Musselman

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to real estate.

**Highlighted Provisions:**

This bill:

- requires that the Department of Commerce make a recommendation to the Business and Labor Interim Committee regarding the jurisdiction of the Division of Real Estate and the Division of Consumer Protection over property management;
- defines terms;
- extends the implementation date for the property manager license to January 1, 2027;
- provides that the division shall make rules for the licensing of a dual broker;
- provides that a dual broker may engage in property management without obtaining a property management license;
- establishes the scope of a property manager license;
- 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;
- provides the conditions under which a property manager is not required to affiliate with a principal broker;
- amends provisions relating to investigating a violation of Title 61, Chapter 2f, Real Estate Licensing and Practices Act;
- provides requirements for the records that a brokerage and a property manager that meets certain requirements is required to maintain;
- amends the circumstances under which a property manager is not required to maintain property management client funds in a trust account; and
- makes technical changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **61-2f-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

36 **61-2f-103**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

37 **61-2f-201**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

38 **61-2f-202**, as last amended by Laws of Utah 2025, Chapter 248

39 **61-2f-202.5**, as enacted by Laws of Utah 2025, Chapter 248

40 **61-2f-203**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

41 **61-2f-204**, as last amended by Laws of Utah 2025, Chapter 248

42 **61-2f-302**, as last amended by Laws of Utah 2010, Chapter 184 and renumbered and  
43 amended by Laws of Utah 2010, Chapter 379

44 **61-2f-309**, as enacted by Laws of Utah 2025, Chapter 263

45 **61-2f-402**, as last amended by Laws of Utah 2025, Chapter 263

46 **61-2f-411**, as last amended by Laws of Utah 2025, First Special Session, Chapter 4

47 ENACTS:

48 **13-1-19**, Utah Code Annotated 1953

49 REPEALS:

50 **61-2f-101**, as enacted by Laws of Utah 2010, Chapter 379



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

53 Section 1. Section **13-1-19** is enacted to read:

54 **13-1-19 . Property management report required.**

55 (1) As used in this section:

56 (a) "Department" means the Department of Commerce.

57 (b) "Property management" means the same as that term is defined in Section 61-2f-102.

58 (2) Before August 31, 2026, the department shall make a recommendation to the Business  
59 and Labor Interim Committee regarding the jurisdiction of the Division of Consumer  
60 Protection and the Division of Real Estate over a person engaged in property  
61 management that:

62 (a) identifies areas in which the jurisdiction of the Division of Consumer Protection and

- 63           the Division of Real Estate overlap in relation to a person engaged in property  
 64           management;  
 65           (b) makes recommendations on whether to realign the jurisdiction of the Division of  
 66           Consumer Protection or the Division of Real Estate to avoid duplicative jurisdiction  
 67           over a person engaged in property management; and  
 68           (c) identifies statutory changes to accomplish the recommendations described in  
 69           Subsection (2)(b).  
 70           (3) In developing the recommendation described in Subsection (2), the department shall  
 71           consult with:  
 72           (a) the Real Estate Commission;  
 73           (b) the Division of Consumer Protection;  
 74           (c) the Division of Real Estate;  
 75           (d) one or more person engaged in property management; and  
 76           (e) any other person the department determines has subject matter expertise to help  
 77           develop the recommendation.

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

79           **61-2f-102 . Definitions.**

80           As used in this chapter:

- 81           (1) "Admonition" means a public discipline that declares the conduct of a person as  
 82           improper and does not identify the person.  
 83           (2)(a) "Advertisement" means a notice or announcement meant to:  
 84           (i) promote the availability of real estate, an option on real estate, or a business  
 85           opportunity for sale, exchange, auction, or lease;  
 86           (ii) offer specific types of brokerage services; or  
 87           (iii) specifically solicit the public to contact that licensee for more information.  
 88           (b) "Advertisement" does not include a social media post that generally identifies the  
 89           person as being engaged in the profession of real estate if the social media post does  
 90           not:  
 91           (i) promote the availability of real estate, an option on real estate, or a business  
 92           opportunity for sale, exchange, auction, or lease;  
 93           (ii) offer specific types of brokerage services; or  
 94           (iii) specifically solicit the public to contact that licensee for more information.  
 95           (3) "Advertising" or "advertise" means placing or directing the placement of an  
 96           advertisement.

- 97 (4) "Associate broker" means an individual who is:  
98 (a) employed or engaged as an independent contractor by or on behalf of a principal  
99 broker to perform an act described in Subsection [~~(29)~~] (30) for valuable  
100 consideration; and  
101 (b) licensed or is required to be licensed under this chapter as an associate broker.
- 102 (5) "Branch broker" means an associate broker who manages a principal broker's branch  
103 office under the supervision of the principal broker.
- 104 (6) "Branch office" means a principal broker's real estate brokerage office that is not the  
105 principal broker's main office.
- 106 (7) "Brokerage" means an entity registered or required to be registered with the division [  
107 ~~pursuant to~~] in accordance with Section 61-2f-206.
- 108 (8) "Brokerage name" means:  
109 (a) the name of the brokerage as shown on division records;  
110 (b) the name of a branch office of the brokerage; or  
111 (c) a [~~DBA~~] D.B.A. of the brokerage.
- 112 (9) "Business day" means a day other than:  
113 (a) a Saturday;  
114 (b) a Sunday; or  
115 (c) a federal or state holiday.
- 116 (10) "Business opportunity" means the sale, lease, or exchange of any business that  
117 includes an interest in real estate.
- 118 (11) "Commission" means the Real Estate Commission established under this chapter.
- 119 (12) "Common interest association" means the same as that term is defined in Section  
120 57-1-46.
- 121 (13) "Concurrence" means the entities given a concurring role [~~must~~] shall jointly agree for  
122 action to be taken.
- 123 (14)(a) "Condominium hotel" means one or more condominium units that are operated  
124 as a hotel.  
125 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all of  
126 which are owned by a single entity.
- 127 (15) "Condominium unit" means the same as that term is defined in Section 57-8-3.
- 128 (16) "Director" means the director of the Division of Real Estate.
- 129 (17) "Division" means the Division of Real Estate.
- 130 (18) [~~"Doing business as" or "DBA"~~] "D.B.A." means a name that is registered with the

131 Division of Corporations and Commercial Code that allows a business to operate under  
132 a name different from the business's legal name.

133 (19) "DOD civilian" means the same as that term is defined in Section 53H-11-202.

134 (20) "Dual broker" means a principal broker who functions as the principal property  
135 manager of a property management company that is a separate entity from a brokerage.

136 [~~20~~] (21) "Entity" means:

137 (a) a corporation;

138 (b) a partnership;

139 (c) a limited liability company;

140 (d) a company;

141 (e) an association;

142 (f) a joint venture;

143 (g) a business trust;

144 (h) a trust; or

145 (i) any organization similar to an entity described in Subsections [~~20~~](a) (21)(a)  
146 through (h).

147 [~~21~~] (22) "Executive director" means the director of the Department of Commerce.

148 [~~22~~] (23) "Factory built housing" means a manufactured home or mobile home.

149 [~~23~~] (24) "Foreclosure rescue" means, for compensation or with the expectation of  
150 receiving valuable consideration:

151 (a) an act that:

152 (i) the person represents will assist a borrower in preventing a foreclosure; and

153 (ii) relates to a transaction involving the transfer of title to residential real property; or

154 (b) as an employee or agent of another person:

155 (i) a solicitation or an offer that the other person will engage in an act described in  
156 Subsection [~~23~~](a) (24)(a); or

157 (ii) negotiation of the terms in relationship to an act described in Subsection [~~23~~](a)  
158 (24)(a).

159 [~~24~~] (25) "Loan modification assistance" means, for compensation or with the expectation  
160 of receiving valuable consideration:

161 (a) an act, or an offer to act, on behalf of a person to:

162 (i) obtain a loan term of a residential mortgage loan that is different from an existing  
163 loan term including:

164 (A) an increase or decrease in an interest rate;

- 165 (B) a change to the type of interest rate;
- 166 (C) an increase or decrease in the principal amount of the residential mortgage
- 167 loan;
- 168 (D) a change in the number of required period payments;
- 169 (E) an addition of collateral;
- 170 (F) a change to, or addition of, a prepayment penalty;
- 171 (G) an addition of a cosigner; or
- 172 (H) a change in persons obligated under the existing residential mortgage loan; or
- 173 (ii) a substitute of a new residential mortgage loan for an existing residential
- 174 mortgage loan; or
- 175 (b) as an employee or agent of another person:
- 176 (i) a solicitation or an offer that the other person will engage in an act described in
- 177 Subsection [~~(24)~~(a)] (25)(a); or
- 178 (ii) negotiation of the terms in relationship to an act described in Subsection [~~(24)~~(a)]
- 179 (25)(a).
- 180 [~~(25)~~] (26) "Main office" means the address that a principal broker designates with the
- 181 division as the principal broker's primary brokerage office.
- 182 [~~(26)~~] (27) "Manufactured home" means the same as that term is defined in Section
- 183 15A-1-302.
- 184 [~~(27)~~] (28) "Mobile home" means the same as that term is defined in Section 15A-1-302.
- 185 [~~(28)~~] (29) "Person" means an individual or entity.
- 186 [~~(29)~~] (30) "Principal broker" means an individual who:
- 187 (a) is licensed or required to be licensed as a principal broker under this chapter; and
- 188 (b)(i) sells or lists for sale real estate, including real estate being sold as part of a
- 189 foreclosure rescue, a business opportunity, or, unless licensed with the Division of
- 190 Professional Licensing as a dealer under Title 58, Chapter 56, Building Inspector
- 191 and Factory Built Housing Licensing Act, factory built housing, with the
- 192 expectation of receiving valuable consideration;
- 193 (ii) buys, exchanges, or auctions real estate, an option on real estate, a business
- 194 opportunity, or, unless licensed with the Division of Professional Licensing as a
- 195 dealer under Title 58, Chapter 56, Building Inspector and Factory Built Housing
- 196 Licensing Act, factory built housing, with the expectation of receiving valuable
- 197 consideration;
- 198 (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged

- 199 in the business described in Subsection [~~(29)~~(a)] (30)(b)(i) or (b)(ii);
- 200 (iv) is employed by or on behalf of the owner of real estate or by a prospective
- 201 purchaser of real estate and performs an act described in Subsection [~~(29)~~(a)]
- 202 (30)(b)(i), whether the individual's compensation is at a stated salary, a
- 203 commission basis, upon a salary and commission basis, or otherwise;
- 204 (v) with the expectation of receiving valuable consideration, manages property
- 205 owned by another person;
- 206 (vi) advertises or otherwise holds the individual out to be engaged in property
- 207 management;
- 208 (vii) with the expectation of receiving valuable consideration, assists or directs in the
- 209 procurement of prospects for or the negotiation of a transaction listed in
- 210 Subsections [~~(29)~~(a)] (30)(b)(i) and [~~(v)~~] (b)(v);
- 211 (viii) except for a mortgage lender, title insurance producer, or an employee of a
- 212 mortgage lender or title insurance producer, assists or directs in the closing of a
- 213 real estate transaction with the expectation of receiving valuable consideration;
- 214 (ix) engages in foreclosure rescue; or
- 215 (x) advertises, offers, attempts, or otherwise holds the person out as being engaged in
- 216 foreclosure rescue.
- 217 (31) "Principal property manager" means an individual who:
- 218 (a) is the primary contact for a property management company; and
- 219 (b) holds a valid, active license under this chapter as:
- 220 (i) a property manager; or
- 221 (ii) a principal broker.
- 222 [~~(30)~~] (32)(a) "Property management" means the management of real estate owned by
- 223 another person, with the expectation of receiving valuable consideration, or
- 224 advertising or otherwise claiming to be engaged in the management of real estate
- 225 owned by another person, by:
- 226 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or
- 227 participating in a transaction calculated to secure the rental or leasing of real estate;
- 228 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real
- 229 estate; or
- 230 (iii) signing a lease agreement or an addendum with a tenant.
- 231 (b) "Property management" does not include:
- 232 (i) hotel or motel management;

- 233 (ii) rental of tourist accommodations, including hotels, motels, tourist homes,  
 234 condominiums, condominium hotels, mobile home park accommodations,  
 235 campgrounds, or similar public accommodations for a period of less than 30  
 236 consecutive days, and the management activities associated with these rentals; or  
 237 (iii) the leasing or management of surface or subsurface minerals or oil and gas  
 238 interests, if the leasing or management is separate from a sale or lease of the  
 239 surface estate.

240 (33) "Property management company" means an entity:

241 (a) that engages solely in property management;

242 (b) that is required to register with the division under this chapter; and

243 (c) is supervised by:

244 (i) a dual broker;

245 (ii) a principal broker; or

246 (iii) a principal property manager.

247 [~~(31)~~] (34) "Property manager" means an individual who:

248 (a) is licensed or required to be licensed as a property manager under this chapter; and

249 (b)(i) engages in property management; or

250 (ii) advertises or otherwise holds the individual out to be engaged in property  
 251 management.

252 [~~(32)~~] (35) "Real estate" includes leaseholds and business opportunities involving real  
 253 property.

254 [~~(33)~~] (36)(a) "Regular salaried employee" means an individual:

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

256 (ii) whose employer withholds federal employment taxes under a contract of hire,  
 257 written or oral, express or implied.

258 (b) "Regular salaried employee" does not include an individual who performs services  
 259 on a project-by-project basis or on a commission basis.

260 [~~(34)~~] (37) "Reinstatement" means the restoration of a license that has expired or has been  
 261 suspended.

262 [~~(35)~~] (38) "Reissuance" means the process by which an individual may obtain a license  
 263 following revocation of the license.

264 [~~(36)~~] (39) "Renewal" means the extension of a license for an additional licensing period on  
 265 or before the [date] day on which the license expires.

266 [~~(37)~~] (40) "Reprimand" means a public discipline that declares the conduct of a person as

267 improper and includes the name of the person.

268 (41) "Residential rental unit" means the same as that term is defined in Section 57-22-2.

269 [~~(38)~~] (42) "Sales agent" means an individual who is:

270 (a) affiliated with a principal broker, either as an independent contractor or an employee  
271 as provided in Section 61-2f-303, to perform for valuable consideration an act  
272 described in Subsection [~~(29)~~] (30); and

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

274 [~~(39)~~] (43) "Transaction" means, whether complete or incomplete:

275 (a) a purchase of real estate;

276 (b) a sale of real estate;

277 (c) an exchange of real estate;

278 (d) a lease of real estate;

279 (e) an auction of real estate;

280 (f) management of real estate;

281 (g) an option on real estate; or

282 (h) a business opportunity.

283 [~~(40)~~] (44) "Vulnerable adult" means the same as that term is defined in Section 26B-6-201.

284 Section 3. Section **61-2f-103** is amended to read:

285 **61-2f-103 . Real Estate Commission.**

286 (1) There is created within the division a Real Estate Commission.

287 (2) The commission shall:

288 (a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3,  
289 Utah Administrative Rulemaking Act, make rules for the administration of this  
290 chapter that are [~~not inconsistent~~] consistent with this chapter, including:

291 (i) licensing of:

292 (A) a principal broker;

293 (B) an associate broker;

294 (C) a sales agent; [~~and~~]

295 (D) a dual broker; and

296 [~~(D)~~] (E) on or after [~~July 1, 2026~~] January 1, 2027, a property manager;

297 (ii) registration of:

298 (A) an entity;

299 (B) [~~an assumed name~~] a D.B.A. under which a person conducts business;

300 (C) a branch office; and

- 301 (D) a property management company;
- 302 (iii) prelicensing and postlicensing education curricula;
- 303 (iv) examination procedures;
- 304 (v) the certification and conduct of:
- 305 (A) a real estate school;
- 306 (B) a course provider; or
- 307 (C) an instructor;
- 308 (vi) proper handling of money [~~received by a licensee~~] that a licensee receives under
- 309 this chapter;
- 310 (vii) brokerage office procedures and recordkeeping requirements;
- 311 (viii) property management;
- 312 (ix) standards of conduct for a licensee under this chapter;
- 313 (x) if the commission, with the concurrence of the division, determines necessary, a
- 314 rule as provided in Subsection 61-2f-306(3) regarding a legal form;
- 315 (xi) the qualification and designation of an acting principal broker in the event a
- 316 principal broker dies, is incapacitated, or is unable to perform the duties of a
- 317 principal broker, as described in Section 61-2f-202; and
- 318 (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real
- 319 property transaction;
- 320 (b) establish, with the concurrence of the division, a fee provided for in this chapter,
- 321 except a fee imposed under Part 5, Real Estate Education, Research, and Recovery
- 322 Fund Act;
- 323 (c) conduct an administrative hearing not delegated by the commission to an
- 324 administrative law judge or the division relating to the:
- 325 (i) licensing of an applicant;
- 326 (ii) conduct of a licensee;
- 327 (iii) the certification or conduct of a real estate school, course provider, or instructor
- 328 regulated under this chapter; or
- 329 (iv) violation of this chapter by any person;
- 330 (d) with the concurrence of the director, impose a sanction as provided in Section
- 331 61-2f-404;
- 332 (e) advise the director on the administration and enforcement of a matter affecting the
- 333 division and the real estate sales and property management industries;
- 334 (f) advise the director on matters affecting the division budget;

- 335 (g) advise and assist the director in conducting real estate seminars; and  
336 (h) perform other duties as provided by this chapter.
- 337 (3)(a) Except as provided in Subsection (3)(b), a state entity may not, without the  
338 concurrence of the commission, make a rule that changes the rights, duties, or  
339 obligations of buyers, sellers, or persons licensed under this chapter in relation to a  
340 real estate transaction between private parties.
- 341 (b) Subsection (3)(a) does not apply to a rule made:  
342 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or  
343 (ii) by the Department of Commerce or any division or other rulemaking body within  
344 the Department of Commerce.
- 345 (4)(a) The commission consists of five members [~~appointed by~~ that the governor  
346 appoints and [~~approved by~~] the Senate approves in accordance with Title 63G,  
347 Chapter 24, Part 2, Vacancies.
- 348 (b) Four of the commission members shall:  
349 (i) have at least five years' experience in the real estate business; and  
350 (ii) hold an active principal broker, associate broker, or sales agent license.
- 351 (c) One commission member shall be a member of the general public.
- 352 (d) The governor may not appoint a commission member described in Subsection (4)(b)  
353 who, at the time of appointment, resides in the same county in the state as another  
354 commission member.
- 355 (e) At least one commission member described in Subsection (4)(b) shall at the time of  
356 an appointment reside in a county that is not a county of the first or second class.
- 357 (5)(a) Except as required by Subsection (5)(b), as terms of current commission members  
358 expire, the governor shall appoint each new member or reappointed member to a  
359 four-year term ending June 30.
- 360 (b) The governor shall, at the time of appointment or reappointment, adjust the length of  
361 terms to ensure that the terms of commission members are staggered so that  
362 approximately half of the commission is appointed every two years.
- 363 (c) Upon the expiration of the term of a member of the commission, the member of the  
364 commission shall continue to hold office until a successor is appointed and qualified.
- 365 (d) A commission member may not serve more than two consecutive terms.
- 366 (e) Members of the commission shall annually select one member to serve as chair.
- 367 (6) When a vacancy occurs in the membership for any reason, the governor, with the advice  
368 and consent of the Senate, shall appoint a replacement for the unexpired term.

- 369 (7) A member may not receive compensation or benefits for the member's service, but may  
370 receive per diem and travel expenses in accordance with:
- 371 (a) Section 63A-3-106;
- 372 (b) Section 63A-3-107; and
- 373 (c) rules ~~[made by]~~the Division of Finance ~~[pursuant to]~~ makes in accordance with  
374 Sections 63A-3-106 and 63A-3-107.
- 375 (8)(a) The commission shall meet at least monthly.
- 376 (b) The director may call additional meetings:
- 377 (i) at the director's discretion;
- 378 (ii) upon the request of the chair; or
- 379 (iii) upon the written request of three or more commission members.
- 380 (9) Three members of the commission constitute a quorum for the transaction of business.
- 381 (10) A member of the commission shall comply with the conflict of interest provisions  
382 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- 383 Section 4. Section **61-2f-201** is amended to read:
- 384 **61-2f-201 . License required -- Scope of license.**
- 385 (1) Unless a person is licensed under this chapter, it is unlawful for the person to do the  
386 following with respect to real estate located in this state:
- 387 (a) engage in the business of a principal broker, associate broker, or sales agent;
- 388 (b) act in the capacity of a principal broker, associate broker, or sales agent;
- 389 (c) advertise or assume to act as a principal broker, associate broker, or a sales agent; or
- 390 (d) on or after January 1, 2027, engage in property management.
- 391 (2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a  
392 principal broker, associate broker, or a sales agent if the individual performs, offers to  
393 perform, or attempts to perform one act for valuable consideration of:
- 394 (a) buying, selling, or exchanging real estate for another person; or
- 395 (b) offering for another person to buy, sell, or exchange real estate.
- 396 (3) Except as provided in Section 61-2f-202.5, unless an individual is licensed as a  
397 principal broker, associate broker, sales agent, dual broker, or property manager, an  
398 individual may not, for consideration:
- 399 (a) engage in property management; or
- 400 (b) offer to engage in property management on behalf of another person.
- 401 (4) An individual licensed as a property manager under this chapter:
- 402 (a) may do the following for one or more residential rental units:

- 403           (i) engage in property management;  
 404           (ii) offer to engage in property management on behalf of another person; or  
 405           (iii) advertise or otherwise hold the individual out to be engaged in property  
 406                 management; and  
 407           (b) may not engage in an activity listed in Subsection (4)(a) in relation to real estate  
 408                 other than a residential rental unit.

409           Section 5. Section **61-2f-202** is amended to read:

410           **61-2f-202 . Exempt persons and transactions.**

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

- 412           (a) a person that holds an option to purchase real property;  
 413           (b) a mortgagee;  
 414           (c) a beneficiary under a deed of trust;  
 415           (d) a trustee under a deed of trust; or  
 416           (e) a person that owns or holds a claim that encumbers any real property or an  
 417                 improvement to the real property.

418           [~~(1)~~] (2)(a) Except as provided in Subsection [~~(1)(b)~~] (2)(b), a license under this chapter is  
 419           not required for:

- 420           (i) a person who as owner or lessor performs an act described in Subsection [  
 421                 ~~61-2f-102(29)~~] 61-2f-102(30) with reference to real estate owned or leased by that  
 422                 person;  
 423           (ii) a regular salaried employee of the owner or lessor of real estate who, with  
 424                 reference to nonresidential real estate owned or leased by the employer, performs  
 425                 an act described in Subsection [~~61-2f-102(29)(b)(ii)~~] 61-2f-102(30)(b)(ii) or (iii);  
 426           (iii) a regular salaried employee of the owner of real estate who performs property  
 427                 management services with reference to real estate owned by the employer, except  
 428                 that the employee may only manage real estate for one employer;  
 429           (iv) an individual who performs property management services for the apartments at  
 430                 which that individual resides in exchange for free or reduced rent on that  
 431                 individual's apartment;  
 432           (v) a regular salaried employee of a common interest association who manages real  
 433                 estate subject to the declaration covenants, conditions, and restrictions that  
 434                 established the common interest association;  
 435           (vi) a regular salaried employee of a licensed property management company or real  
 436                 estate brokerage who performs support services, as prescribed by rule, for the

- 437 property management company or real estate brokerage; or
- 438 (vii) in the event a principal broker dies, is incapacitated, or is unable to perform the
- 439 duties of a principal broker, an individual qualified and designated as the
- 440 commission determines by rule made in accordance with Title 63G, Chapter 3,
- 441 Utah Administrative Rulemaking Act, with the concurrence of the division, as an
- 442 acting principal broker:
- 443 (A) in relation to each transaction pending on the day on which the principal
- 444 broker dies, becomes incapacitated, or becomes unable to perform the duties of
- 445 a principal broker, including the distribution of compensation for each
- 446 transaction; and
- 447 (B) until the day on which each transaction described in Subsection [~~(1)(a)(vii)(A)~~]
- 448 (2)(a)(vii)(A) is completed.
- 449 (b) Subsection [~~(1)(a)~~] (2)(a) does not exempt from licensing:
- 450 (i) an employee engaged in the sale of real estate regulated under:
- 451 (A) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act; or
- 452 (B) Title 57, Chapter 19, Timeshare and Camp Resort Act;
- 453 (ii) an employee engaged in the sale of cooperative interests regulated under Title 57,
- 454 Chapter 23, Real Estate Cooperative Marketing Act; or
- 455 (iii) an individual whose interest as an owner or lessor is obtained by that individual
- 456 or transferred to that individual for the purpose of evading the application of this
- 457 chapter, and not for another legitimate business reason.
- 458 [~~(2)~~] (3) A license under this chapter is not required for:
- 459 (a) an isolated transaction or service by an individual holding an unsolicited, duly
- 460 executed power of attorney from a property owner;
- 461 (b) subject to Subsection 61-2f-401(5), services rendered by an attorney admitted to
- 462 practice law in this state in performing the attorney's duties as an attorney;
- 463 (c) a receiver, trustee in bankruptcy, administrator, executor, or an individual acting
- 464 under order of a court;
- 465 (d) a trustee or employee of a trustee under a deed of trust or a will;
- 466 (e) a public utility, officer of a public utility, or regular salaried employee of a public
- 467 utility, unless performance of an act described in Subsection [~~61-2f-102(29)~~]
- 468 61-2f-102(30) is in connection with the sale, purchase, lease, or other disposition of
- 469 real estate or investment in real estate unrelated to the principal business activity of
- 470 that public utility;

- 471 (f) a regular salaried employee or authorized agent working under the oversight of the  
 472 Department of Transportation when performing an act on behalf of the Department of  
 473 Transportation in connection with one or more of the following:
- 474 (i) the acquisition of real estate [~~pursuant to~~] in accordance with Section 72-5-103;
  - 475 (ii) the disposal of real estate [~~pursuant to~~] in accordance with Section 72-5-111;
  - 476 (iii) services that constitute property management; or
  - 477 (iv) the leasing of real estate; and
- 478 (g) a regular salaried employee of a county, city, or town when performing an act on  
 479 behalf of the county, city, or town:
- 480 (i) in accordance with:
    - 481 (A) if a regular salaried employee of a city or town:
      - 482 (I) Title 10, Utah Municipal Code; or
      - 483 (II) Title 11, Cities, Counties, and Local Taxing Units; and
    - 484 (B) if a regular salaried employee of a county:
      - 485 (I) Title 11, Cities, Counties, and Local Taxing Units; and
      - 486 (II) Title 17, Counties; and
  - 487 (ii) in connection with one or more of the following:
    - 488 (A) the acquisition of real estate, including by eminent domain;
    - 489 (B) the disposal of real estate;
    - 490 (C) services that constitute property management; or
    - 491 (D) the leasing of real estate.
- 492 [~~3~~] (4) A license under this chapter is not required for an individual registered to act as a  
 493 broker-dealer, agent, or investment adviser under the Utah and federal securities laws in  
 494 the sale or the offer for sale of real estate if:
- 495 (a)(i) the real estate is a necessary element of a "security" as that term is defined by  
 496 the Securities Act of 1933 and the Securities Exchange Act of 1934; and
  - 497 (ii) the security is registered for sale in accordance with:
    - 498 (A) the Securities Act of 1933; or
    - 499 (B) Title 61, Chapter 1, Utah Uniform Securities Act; or
- 500 (b)(i) [~~it~~] the sale or offer for sale of real estate is a transaction in a security for which  
 501 a Form D, described in 17 C.F.R. Sec. 239.500, has been filed with the Securities  
 502 and Exchange Commission [~~pursuant to~~] in accordance with Regulation D, Rule  
 503 506, 17 C.F.R. Sec. 230.506; and
- 504 (ii) the selling agent and the purchaser are not residents of this state.

- 505     ~~[(4)]~~ (5) Except as otherwise provided by statute or rule, the following individuals may  
 506     engage in the practice of an occupation or profession regulated by this chapter, subject  
 507     to the stated circumstances and limitations, without being licensed under this chapter:
- 508     (a) an individual licensed under the laws of this state, other than under this chapter, to  
 509         practice or engage in an occupation or profession, while engaged in the lawful,  
 510         professional, and competent practice of that occupation or profession;
  - 511     (b) an individual serving in the armed forces of the United States, the United States  
 512         Public Health Service, the United States Department of Veterans Affairs, or any other  
 513         federal agency while engaged in activities regulated under this title as a part of  
 514         employment with that federal agency if the individual holds a valid license to practice  
 515         the regulated occupation or profession issued by any other state or jurisdiction  
 516         recognized by the department; and
  - 517     (c) the spouse of an individual serving in the armed forces of the United States or the  
 518         spouse of a DOD civilian while the individual or DOD civilian is stationed within  
 519         this state, if:
    - 520             (i) the spouse holds a valid license to practice the regulated occupation or profession  
 521                 issued by any other state or jurisdiction recognized by the department; and
    - 522             (ii) the license is current and the spouse is in good standing in the state or jurisdiction  
 523                 of licensure.

524     ~~[(5) As used in this section, "owner" does not include:]~~

525         ~~[(a) a person who holds an option to purchase real property;]~~

526         ~~[(b) a mortgagee;]~~

527         ~~[(c) a beneficiary under a deed of trust;]~~

528         ~~[(d) a trustee under a deed of trust; or]~~

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

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

535     Section 6. Section **61-2f-202.5** is amended to read:

536         **61-2f-202.5 . Exempt individuals and transactions involving property**  
 537     **management.**

538     A license under this chapter is not required for:

- 539 (1) an individual who, as an owner or lessor, performs an act described in Subsection [  
 540 ~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection to real estate owned or leased by that  
 541 individual;
- 542 (2) an individual who is part of a property owner's immediate family, if the individual  
 543 performs an act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a) in connection  
 544 to real estate [~~owned by~~] that the property owner owns;
- 545 (3) an unlicensed or remote assistant of a property manager;
- 546 (4) an individual who exclusively performs the following tasks:
- 547 (a) maintenance and repairs on real property; or
- 548 (b) bookkeeping and accounting; or
- 549 (5) a regional manager or a corporate official of a rental agency who does not engage in an  
 550 act described in Subsection [~~61-2f-102(20)~~] 61-2f-102(31)(a).

551 Section 7. Section **61-2f-203** is amended to read:

552 **61-2f-203 . Licensing requirements.**

- 553 (1)(a)(i) The division shall determine whether an applicant with a criminal history  
 554 qualifies for licensure.
- 555 (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or  
 556 places a license on probation, the applicant may petition the commission for de  
 557 novo review of the application.
- 558 (b) Except as provided in Subsection (6), the commission shall determine all other  
 559 qualifications and requirements of an applicant for:
- 560 (i) a principal broker license;
- 561 (ii) an associate broker license;
- 562 (iii) a sales agent license; or
- 563 (iv) on or after [~~July 1, 2026~~] January 1, 2027, a property manager license.
- 564 (c) The division, with the concurrence of the commission, shall require and pass upon  
 565 proof necessary to determine the honesty, integrity, truthfulness, reputation, and  
 566 competency of each applicant for an initial license or for renewal of an existing  
 567 license.
- 568 (d)(i)(A) Except as provided in Subsection (1)(d)(i)(B), the division, with the  
 569 concurrence of the commission, shall require an applicant for a sales agent  
 570 license to complete a division-approved educational program consisting of not  
 571 less than 120 hours, as designated by rule the commission makes in accordance  
 572 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the

- 573 concurrence of the division.
- 574 (B) If on the day on which an applicant for a sales agent license applies for the  
575 license the applicant is licensed as a real estate sales agent in another state, the  
576 division may require the applicant to complete a division-approved,  
577 state-specific educational program consisting of the number of hours  
578 designated by rule the commission makes in accordance with Title 63G,  
579 Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the  
580 division.
- 581 (ii)(A) Except as provided in Subsection (1)(d)(ii)(B), the division, with the  
582 concurrence of the commission, shall require an applicant for an associate  
583 broker or a principal broker license to complete a division-approved  
584 educational program consisting of not less than 120 hours, as designated by  
585 rule the commission makes in accordance with Title 63G, Chapter 3, Utah  
586 Administrative Rulemaking Act, with the concurrence of the division.
- 587 (B) If on the day on which an applicant for an associate broker or a principal  
588 broker license applies for the license the applicant is licensed as a real estate  
589 broker in another state, the division may require the applicant to complete a  
590 division-approved, state-specific educational program consisting of the number  
591 of hours designated by rule the commission makes in accordance with Title  
592 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of  
593 the division.
- 594 (iii)(A) On or after [~~July 1, 2026~~] January 1, 2027, except as provided in  
595 Subsection (1)(d)(iii)(B), the division shall require that an applicant for a  
596 property manager license complete the educational program described in  
597 Subsection (1)(d)(iv).
- 598 (B) On or after [~~July 1, 2026~~] January 1, 2027, if on the day on which an applicant  
599 for a property manager license applies for the license, the applicant is licensed  
600 as a property manager in another state, the division may require the applicant  
601 to complete a division-approved, state-specific educational program consisting  
602 of the number of hours designated by rule the commission makes in  
603 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
604 with the concurrence of the division.
- 605 (iv) The division shall create an educational program for a property manager license  
606 that:

- 607 (A) requires at least 24 hours of training;
- 608 (B) covers subjects the division determines necessary for the program; and
- 609 (C) establishes the proportion of hours allocated for each subject in the program.
- 610 (v) An hour required by this section means 50 minutes of instruction in each 60
- 611 minutes.
- 612 (vi) The maximum number of program hours available to an individual is eight hours
- 613 per day.
- 614 (e)(i) Except as provided in Subsection (1)(e)(ii), the division, with the concurrence
- 615 of the commission, shall require an applicant to pass an examination approved by
- 616 the commission covering:
- 617 (A) the fundamentals of the English language;
- 618 (B) the fundamentals of arithmetic;
- 619 (C) the fundamentals of bookkeeping;
- 620 (D) the fundamentals of real estate principles and practices;
- 621 (E) this chapter;
- 622 (F) the rules established by the commission with the concurrence of the division;
- 623 and
- 624 (G) any other aspect of Utah real estate license law considered appropriate.
- 625 (ii) If on the day on which an applicant applies for a license the applicant is licensed
- 626 as a real estate broker or a sales agent in another state, the division may, with the
- 627 concurrence of the commission, require the applicant to pass a division-approved,
- 628 state-specific examination rather than the examination required under Subsection
- 629 (1)(e)(i).
- 630 (iii) Subject to Subsection (1)(e)(iv), the division, with the concurrence of the
- 631 commission, may modify the length and material of an examination for a property
- 632 manager license under this chapter if:
- 633 (A) an applicant is licensed as a property manager in another state;
- 634 (B) the division determines an applicant's prior experience warrants a modification
- 635 of the examination; or
- 636 (C) the division determines the applicant has good cause for the modification of
- 637 the examination.
- 638 (iv) On or after [~~July 1, 2026~~] January 1, 2027, an examination for a property manager
- 639 license shall:
- 640 (A) cover the topics that appear in the educational program described in

- 641 Subsection (1)(d)(iv); and
- 642 (B) match the proportion of questions for each topic to the proportion of hours
- 643 designated by the division in accordance with Subsection (1)(d)(iv)(C).
- 644 (f)(i) Three years' full-time experience as a sales agent or the equivalent is required
- 645 before an applicant may apply for, and secure a principal broker or associate
- 646 broker license in this state.
- 647 (ii) The commission shall establish by rule made in accordance with Title 63G,
- 648 Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the
- 649 division, the criteria by which the commission will accept experience or special
- 650 education in similar fields of business in lieu of the three years' experience.
- 651 (2)(a) The division, with the concurrence of the commission, may require an applicant to
- 652 furnish a sworn statement setting forth evidence satisfactory to the division of the
- 653 applicant's reputation and competency as set forth by rule.
- 654 (b) The division shall require an applicant to provide the applicant's social security
- 655 number, which is a private record under Subsection 63G-2-302(1)(i).
- 656 (3)(a) An individual who is not a resident of this state may be licensed in this state if the
- 657 individual complies with this chapter.
- 658 (b) An individual who is not a resident of this state may be licensed as an associate
- 659 broker or sales agent in this state by:
- 660 (i) complying with this chapter; and
- 661 (ii) being employed or engaged as an independent contractor by or on behalf of a
- 662 principal broker who is licensed in this state, regardless of whether the principal
- 663 broker is a resident of this state.
- 664 (4) The division, with the concurrence of the commission, may enter into a reciprocal
- 665 licensing agreement with another jurisdiction for the licensure of a principal broker, an
- 666 associate broker, or a sales agent, if the jurisdiction's requirements and standards for the
- 667 license are substantially similar to those of this state.
- 668 (5)(a) The division and commission shall treat an application to be relicensed of an
- 669 applicant whose real estate license is revoked as an original application.
- 670 (b) In the case of an applicant for a new license as a principal broker or associate broker,
- 671 the applicant is not entitled to credit for experience gained before the revocation of a
- 672 real estate license.
- 673 (6)(a) Notwithstanding Subsection (1)(b), the commission may delegate to the division
- 674 the authority to:

- 675 (i) review a class or category of applications for initial or renewed licenses;
- 676 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
- 677 (iii) approve or deny a license application without concurrence by the commission.
- 678 (b)(i) If the commission delegates to the division the authority to approve or deny an
- 679 application without concurrence by the commission and the division denies an
- 680 application for licensure, the applicant who is denied licensure may petition the
- 681 commission for de novo review of the application.
- 682 (ii) An applicant who is denied licensure [~~pursuant to~~] in accordance with this
- 683 Subsection (6) may seek agency review by the executive director only after the
- 684 commission has reviewed the division's denial of the applicant's application.
- 685 (7) On or after [~~July 1, 2026~~] January 1, 2027, an individual with an active broker, associate
- 686 broker, or sales agent license may obtain a property manager license without:
- 687 (a) meeting the education requirement described in Subsection (1)(d)(iii); or
- 688 (b) passing an exam required for a property manager license under Subsection (1)(e).
- 689 Section 8. Section **61-2f-204** is amended to read:
- 690 **61-2f-204 . Licensing fees and procedures -- Renewal fees and procedures.**
- 691 (1)(a) Upon filing an application for an examination for a license under this chapter, the
- 692 applicant shall pay a nonrefundable fee established in accordance with Section
- 693 63J-1-504 for admission to the examination.
- 694 (b) An applicant for a principal broker, associate broker, sales agent, or property
- 695 manager license shall pay a nonrefundable fee as determined by the commission with
- 696 the concurrence of the division under Section 63J-1-504 for issuance of an initial
- 697 license or license renewal.
- 698 (c) The division shall issue a license under this Subsection (1) for a period of not less
- 699 than two years as the division determines with the concurrence of the commission.
- 700 (d)(i) Each of the following applicants shall comply with this Subsection (1)(d):
- 701 (A) a new sales agent applicant;
- 702 (B) a principal broker applicant;
- 703 (C) an associate broker applicant; and
- 704 (D) on or after January 1, 2027, a property manager applicant.
- 705 (ii) An applicant described in this Subsection (1)(d) shall at the time the applicant
- 706 files an application:
- 707 (A) submit to the division fingerprint cards in a form acceptable to the Department
- 708 of Public Safety;

- 709 (B) submit to the division a signed waiver in accordance with Subsection  
710 53-10-108(4), acknowledging the registration of the applicant's fingerprints in  
711 the Federal Bureau of Investigation Next Generation Identification System's  
712 Rap Back Service;
- 713 (C) consent to a criminal background check by the Utah Bureau of Criminal  
714 Identification and the Federal Bureau of Investigation; and
- 715 (D) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 716 (iii) The Bureau of Criminal Identification shall:
- 717 (A) check the fingerprints an applicant submits under Subsection (1)(d)(ii) against  
718 the applicable state, regional, and national criminal records databases,  
719 including the Federal Bureau of Investigation Next Generation Identification  
720 System;
- 721 (B) report the results of the background check to the division;
- 722 (C) maintain a separate file of fingerprints that applicants submit under Subsection  
723 (1)(d) for search by future submissions to the local and regional criminal  
724 records databases, including latent prints;
- 725 (D) request that the fingerprints be retained in the Federal Bureau of Investigation  
726 Next Generation Identification System's Rap Back Service for search by future  
727 submissions to national criminal records databases, including the Next  
728 Generation Identification System and latent prints; and
- 729 (E) ensure that the division only receives notifications for an individual with  
730 whom the division maintains permission to receive notifications.
- 731 (iv)(A) The division shall assess an applicant who submits fingerprints under this  
732 Subsection (1)(d) or (2)(f) a fee in an amount that the division sets in  
733 accordance with Section 63J-1-504 for services that the division and the  
734 Bureau of Criminal Identification or another authorized agency provide under  
735 this Subsection (1)(d) or (2)(f).
- 736 (B) The Bureau of Criminal Identification may collect from the division money  
737 for services provided under this section.
- 738 (v) Money paid to the division by an applicant for the cost of the criminal  
739 background check is nonlapsing.
- 740 (vi) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
741 and with the concurrence of the division, the commission may make rules for the  
742 administration of this Subsection (1)(d) and Subsection (2)(f) regarding criminal

- 743 background checks with ongoing monitoring.
- 744 (e)(i) A license issued under Subsection (1)(d) is conditional, pending completion of  
745 the criminal background check.
- 746 (ii) If a criminal background check discloses that an applicant fails to accurately  
747 disclose a criminal history, the division:
- 748 (A) shall review the application; and
- 749 (B) in accordance with rules made by the division [~~pursuant to~~] in accordance with  
750 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, may:
- 751 (I) place a condition on a license;
- 752 (II) place a restriction on a license;
- 753 (III) revoke a license; or
- 754 (IV) refer the application to the commission for a decision.
- 755 (iii)(A) An individual whose conditional license is conditioned, restricted, or  
756 revoked under Subsection (1)(e)(ii) may have a hearing after the action is taken  
757 to challenge the action.
- 758 (B) The division shall conduct a hearing described in Subsection (1)(e)(iii)(A) in  
759 accordance with Title 63G, Chapter 4, Administrative Procedures Act.
- 760 (iv) The director shall designate one of the following to act as the presiding officer in  
761 a hearing described in Subsection (1)(e)(iii)(A):
- 762 (A) the division; or
- 763 (B) the division with the concurrence of the commission.
- 764 (v) The presiding officer shall decide whether to grant relief from an action under this  
765 Subsection (1)(e).
- 766 (vi) If a license is revoked or a revocation under this Subsection (1)(e) is upheld after  
767 a hearing, the individual may not apply for a new license until at least 12 months  
768 after the day on which the license is revoked.
- 769 (2)(a)(i) A license expires if the license is not renewed on or before the expiration  
770 date of the license.
- 771 (ii) As a condition of renewal, an active licensee shall demonstrate competence by  
772 completing 18 hours of continuing education within a two-year renewal period  
773 subject to rules made by the commission, with the concurrence of the division.
- 774 (iii) In making a rule described in Subsection (2)(c)(ii), the division and commission  
775 shall consider:
- 776 (A) evaluating continuing education based on competency, rather than course time;

- 777 (B) allowing completion of courses in a significant variety of topic areas that the  
778 division and commission determine are valuable in assisting an individual  
779 licensed under this chapter to increase the individual's competency; and
- 780 (C) allowing completion of courses that will increase a licensee's professional  
781 competency in the area of practice of the licensee.
- 782 (iv) The division may award credit to a licensee for a continuing education  
783 requirement of this Subsection (2)(a) for a reasonable time period upon a finding  
784 of reasonable cause, including:
- 785 (A) military service; or
- 786 (B) if an individual is elected or appointed to government service, the individual's  
787 government service during which the individual spends a substantial time  
788 addressing real estate issues subject to conditions established by rule made in  
789 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 790 (b) For a period of 30 days after the day on which a license expires, the division may  
791 reinstate the license:
- 792 (i) if the applicant's license was inactive on the day on which the applicant's license  
793 expired, upon payment of a renewal fee and a late fee determined by the  
794 commission with the concurrence of the division under Section 63J-1-504; or
- 795 (ii) if the applicant's license was active on the day on which the applicant's license  
796 expired, upon payment of a renewal fee and a late fee determined by the  
797 commission with the concurrence of the division under Section 63J-1-504, and  
798 providing proof acceptable to the division and the commission of the licensee  
799 having:
- 800 (A) completed the hours of education required by Subsection (2)(a); or
- 801 (B) demonstrated competence as required under Subsection (2)(a).
- 802 (c) After the 30-day period described in Subsection (2)(b), and until one year after the  
803 day on which an active or inactive license expires, the division may reinstate the  
804 license if the applicant:
- 805 (i) pays a renewal fee and a late fee determined by the commission with the  
806 concurrence of the division under Section 63J-1-504; and
- 807 (ii) provides proof acceptable to the division and the commission of the licensee  
808 having:
- 809 (A) completed the hours of education required by Subsection (2)(a); or
- 810 (B) demonstrated competence as required under Subsection (2)(a).

- 811 (d) The division shall relicense an individual who does not renew that individual's  
812 license within one year as prescribed for an original application.
- 813 (e) Notwithstanding Subsection (2)(a), the division may extend the term of a license that  
814 would expire under Subsection (2)(a) except for the extension if:
- 815 (i)(A) the individual complies with the requirements of this section to renew the  
816 license; and
- 817 (B) the renewal application remains pending at the time of the extension; or
- 818 (ii) at the time of the extension, there is pending a disciplinary action under this  
819 chapter.
- 820 (f) Each applicant for renewal or reinstatement of a license to practice as a sales agent,  
821 principal broker, associate broker, or a property manager, who is not already subject  
822 to ongoing monitoring of the individual's criminal history shall, at the time the  
823 application for renewal or reinstatement is filed:
- 824 (i) submit fingerprint cards in a form acceptable to the Department of Public Safety;
- 825 (ii) submit to the division a signed waiver in accordance with Subsection  
826 53-10-108(4), acknowledging the registration of the applicant's fingerprints in the  
827 Federal Bureau of Investigation Next Generation Identification System's Rap  
828 Back Service;
- 829 (iii) consent to a fingerprint background check by the Utah Bureau of Criminal  
830 Identification and the Federal Bureau of Investigation; and
- 831 (iv) pay the fee the division establishes in accordance with Subsection (1)(d)(iv).
- 832 (3)(a) As a condition for the activation of an inactive license that was in an inactive  
833 status at the time of the licensee's most recent renewal, the licensee shall supply the  
834 division with proof of:
- 835 (i) successful completion of the respective sales agent or principal broker licensing  
836 examination within six months before the day on which the licensee applies to  
837 activate the license; or
- 838 (ii) the successful completion of the hours of continuing education that the licensee  
839 would have been required to complete under Subsection (2)(a) if the license had  
840 been on active status at the time of the licensee's most recent renewal.
- 841 (b) The commission may, in accordance with Title 63G, Chapter 3, Utah Administrative  
842 Rulemaking Act, subject to concurrence by the division, establish by rule:
- 843 (i) the nature or type of continuing education required for reactivation of a license;
- 844 and

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

846 Section 9. Section **61-2f-302** is amended to read:

847 **61-2f-302 . Affiliation with a principal broker.**

- 848 (1) An individual who is not a principal broker may not engage in an act described in  
849 Section 61-2f-201 unless the individual is affiliated with a principal broker as:
- 850 (a) an associate broker; or
  - 851 (b) a sales agent.
- 852 (2)(a) An inactive associate broker or sales agent may not conduct a real estate  
853 transaction until the inactive associate broker or sales agent becomes affiliated with a  
854 principal broker and submits the required documentation to the division.
- 855 (b) An inactive principal broker may not conduct a real estate transaction until the  
856 principal broker's license is activated with the division.
- 857 (3) A sales agent or associate broker may not affiliate with more than one principal broker  
858 at the same time.
- 859 (4) An individual may not be a principal broker of an entity and a sales agent or associate  
860 broker for a different entity at the same time.
- 861 (5) An owner, purchaser, lessor, or lessee who engages the services of a principal broker  
862 may designate which sales agents or associate brokers affiliated with that principal  
863 broker will also represent that owner, purchaser, lessor, or lessee in the purchase, sale,  
864 lease, or exchange of real estate, or in exercising an option relating to real estate.
- 865 (6) Subject to Subsection (8), an individual licensed as a property manager under this  
866 chapter and is engaged, whether as an employee or an independent contractor, to  
867 perform real estate-related services by or on behalf of a principal broker, associate  
868 broker, or sales agent, shall affiliate with a principal broker before:
- 869 (a) engaging in property management;
  - 870 (b) offering to engage in property management on behalf of another person; or
  - 871 (c) advertising or otherwise holding the individual out to be engaged in property  
872 management.
- 873 (7) An individual described in Subsection (6) shall affiliate the individual's property  
874 manager license with:
- 875 (a) the same principal broker with whom the associate broker or sales agent for whom  
876 the property manager performs real estate-related services is affiliated; or
  - 877 (b) the person that the individual's employer or the person with whom the individual  
878 contracts is affiliated.

- 879 (8) An individual is not required to affiliate with a principal broker if the individual is:  
 880 (a) licensed as a property manager under this chapter; and  
 881 (b)(i) not subject to the affiliation requirements described in Subsection (6);  
 882 (ii) employed by a property management company that managed at least 750  
 883 residential rental units in this state in any of the three previous calendar years; or  
 884 (iii) employed by a housing authority, as that term is defined in Section 35A-8-401.

885 Section 10. Section **61-2f-309** is amended to read:

886 **61-2f-309 . Record requirements.**

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

889a  
 890 A brokerage and a property manager described in Subsection 61-2f-302(8) shall:

- 891 (1) maintain and safeguard the following records to the extent the records relate to the  
 892 business of a principal broker:  
 893 (a) trust account records, including the monthly reconciliation of the trust account;  
 894 (b) each document that a licensee affiliated with the principal broker submits to a lender  
 895 or underwriter as part of a real estate transaction;  
 896 (c) each document the parties to a transaction jointly execute, if the principal broker or  
 897 an affiliated licensee is required to have an agency agreement; and  
 898 (d) each document that a licensee, over whom the principal broker has supervisory  
 899 responsibility in accordance with Subsection (1)(c), executes;  
 900 (2) maintain the records identified in Subsection (1):  
 901 (a)(i) physically:  
 902 (A) at the principal business location that the principal broker designates on  
 903 division records; or  
 904 (B) where applicable, at a branch office that the principal broker designates on  
 905 division records; or  
 906 (ii) electronically, in a storage system that complies with Title 46, Chapter 4,  
 907 Uniform Electronic Transactions Act; and  
 908 (b) for at least three calendar years after the year in which:  
 909 (i) an offer is rejected;  
 910 (ii) a transaction either closes or fails;  
 911 (iii) in a lease transaction, a lease agreement commences; or

- 912           (iv) the term of a property management agreement ends;  
 913       (3) upon request of the division, make a record identified in Subsection (1) available for  
 914       inspection and copying by the division;  
 915       (4) notify the division, in writing within ten business days after the day on which the  
 916       brokerage terminates business operations, of where the brokerage will maintain business  
 917       records; and  
 918       (5) upon filing for brokerage bankruptcy, notify the division, in writing, of:  
 919       (a) the brokerage bankruptcy filing; and  
 920       (b) the current location of each record identified in Subsection (1).

- 921       ~~[(2) A brokerage shall maintain and safeguard in the brokerage's possession a record~~  
 922       ~~described in Subsection (1) for three years following:]~~  
 923       ~~[(a) the day the transaction either closes or fails;]~~  
 924       ~~[(b) in a lease transaction, the day of the commencement of the lease;]~~  
 925       ~~[(c) the day an offer is rejected; or]~~  
 926       ~~[(d) the end of the term of a property management agreement.]~~

927       Section 11. Section **61-2f-402** is amended to read:

928       **61-2f-402 . Investigations -- Disciplinary actions.**

- 929       (1)(a) The division may conduct a public or private investigation within or outside of  
 930       this state as the division considers necessary to determine whether a person has  
 931       violated, is violating, or is about to violate this chapter or any rule or order under this  
 932       chapter.  
 933       (b) If a person makes a report that the person suspects or knows that a person has  
 934       violated, is violating, or will violate this chapter or a rule or order issued in  
 935       accordance with this chapter, the person shall make a report only to the division in a  
 936       form the division approves.  
 937       (c) Except for an action initiated in a court with jurisdiction, the division has exclusive  
 938       jurisdiction to investigate and enforce a violation or an alleged violation of this  
 939       chapter.  
 940       (2) To aid in the enforcement of this chapter or in the prescribing of rules and forms under  
 941       this chapter, the division may require or permit a person to file a statement in writing,  
 942       under oath or otherwise as to the facts and circumstances concerning the matter to be  
 943       investigated.  
 944       (3)(a) For the purpose of the investigation described in Subsection (1), the division or an  
 945       employee ~~[designated by]~~ that the division designates may:

- 946 (i) administer an oath or affirmation;
- 947 (ii) issue a subpoena that requires:
- 948 (A) the attendance and testimony of a witness; or
- 949 (B) the production of evidence;
- 950 (iii) take evidence;
- 951 (iv) require the production of a book, paper, contract, record, other document, or
- 952 information relevant to the investigation; and
- 953 (v) serve a subpoena by certified mail.
- 954 (b) The division may not require the production of evidence, book, paper, contract,
- 955 record, other document, or information required to be kept by a brokerage, or
- 956 licensee [~~pursuant to~~] in accordance with Section 61-2f-309 after the expiration of the
- 957 time in which the brokerage is required to maintain and safeguard the record as
- 958 described in Section 61-2f-309.
- 959 (4)(a) A court [~~of competent~~] with jurisdiction shall enforce, according to the practice
- 960 and procedure of the court, a subpoena [~~issued by~~] that the division issues.
- 961 (b) The division shall pay any witness fee, travel expense, mileage, or any other fee
- 962 required by the service statutes of the state where the witness or evidence is located.
- 963 (5)(a) Except as provided in Subsections (5)(b) and (c), the division shall commence an
- 964 adjudicative proceeding under this chapter no later than the earlier of the following:
- 965 (i) two years after the day on which the violation is reported to the division; or
- 966 (ii) the [~~date~~] day on which the brokerage is no longer required to keep and maintain
- 967 the records as provided in Section 61-2f-309.
- 968 (b) The division may commence an adjudicative proceeding under this chapter after the
- 969 time period described in Subsection (5)(a) expires if:
- 970 (i)(A) the adjudicative proceeding is in response to a civil or criminal judgment or
- 971 settlement; and
- 972 (B) the division commences an adjudicative proceeding no later than one year
- 973 after the day on which the judgment is issued or the settlement is final; or
- 974 (ii) the division and the person subject to an adjudicative proceeding enter into a
- 975 written stipulation to extend the time period described in Subsection (5)(a).
- 976 (c) The time period described in Subsection (5)(a) is tolled during the division's
- 977 enforcement of a subpoena under Subsection (4), including any resulting appeals.
- 978 (6)(a) The division may publish notices of admonition, reprimand, suspension,
- 979 revocation, and surrender with discipline pending in the division newsletter.

980 (b) Nothing in this Subsection (6) [~~shall be construed to restrict~~] restricts the division's  
981 publication of information, including orders, irrespective of [~~their~~] the information's  
982 style or format, on the division's website.

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

986 Section 12. Section **61-2f-411** is amended to read:

987 **61-2f-411 . Enforcement related to a property manager -- Maintenance of client**  
988 **funds.**

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

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

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

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

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

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

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

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

999 (e) advertise properties for rent or lease.

1000 (3) Except as provided in Subsection (4), and subject to Subsection (5), a property manager  
1001 shall associate with at least one real estate trust account in a bank or credit union:

1002 (a) located within the state;

1003 (b) that, unless otherwise modified by a contract for property management, one or more  
1004 property managers use for the purpose of securing:

1005 (i) tenant security deposits;

1006 (ii) rent;

1007 (iii) money tendered by a property owner as a reserve fund or for payment of an  
1008 unexpected expense; and

1009 (iv) any other purpose designated by the commission; and

1010 (c) that is non-interest bearing, unless the parties to a property management contract:

1011 (i) agree in writing to deposit the funds in an interest-bearing account;

1012 (ii) designate in writing the individuals to whom the parties will pay the interest on  
1013 completion or failure of the property management contract; and

1014 (iii) ensure that the parties and trust account comply with any other rules established  
1015 by the commission or division.

1016 (4) Except as provided in Subsection (5), [~~a property manager who obtains and holds a~~  
1017 ~~security bond that protects at least 30% of the estimated property management client~~  
1018 ~~funds is not required to maintain the estimated property management client funds in a~~  
1019 ~~trust account.] a property manager is not required to maintain the property management  
1020 client funds in a trust account if:~~

1021 (a) the property owner agrees in the property management agreement that the property  
1022 manager is not required to hold property management client funds in a trust account;  
1023 and

1024 (b) a lease agreement states that the property manager is not required to hold property  
1025 management client funds in a trust account.

1026 (5) A property manager who is affiliated with a principal broker shall keep property  
1027 management client funds in the principal broker's trust account in accordance with:

1028 (a) rules established by the commission or division; and

1029 (b) requirements established by the principal broker.

1030 Section 13. **Repealer.**

1031 This bill repeals:

1032 Section **61-2f-101, Title.**

1033 Section 14. **Effective Date.**

1034 This bill takes effect on May 6, 2026.