

1 **Public Project Subcontractor Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jefferson S. Burton**

Senate Sponsor:

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**LONG TITLE****General Description:**

5 This bill modifies disclosure requirements for subcontractors.

**Highlighted Provisions:**

7 This bill:

8 ▶ defines terms;  
9 ▶ enacts a new workers' compensation insurance attestation requirement for an employer  
10 seeking a zero estimated exposure policy, including a mandatory signed statement and  
11 criminal fraud warning;

12 ▶ shifts several fixed interest rates and penalty amounts under the Employment Security Act  
13 to amounts the division determines by rule;

14 ▶ clarifies enforcement authority and penalty structures related to unemployment insurance  
15 reporting, collections, liens, and warrants;

16 ▶ creates new compliance and disclosure obligations for a subcontractor working on a  
17 public construction project, including employee reporting and zero estimated exposure  
18 policy disclosures;

19 ▶ requires a subcontractor on a public project to provide employee information to the  
20 division;

21 ▶ requires a general contractor and a property owner to retain documentation for audit and  
22 enforcement purposes;

23 ▶ authorizes the Division of Professional Licensing to make audit recommendations to the  
24 State Tax Commission;

25 ▶ expands the definition of unprofessional conduct to include failure to comply with newly  
26 enacted subcontractor requirements; and

27 ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

29 None

**Other Special Clauses:**

31        None

32        **Utah Code Sections Affected:**

33        AMENDS:

34        **35A-4-305**, as last amended by Laws of Utah 2024, Chapter 110

35        **58-55-502**, as last amended by Laws of Utah 2022, Chapter 415

36        ENACTS:

37        **31A-22-1017**, Utah Code Annotated 1953

38        **58-55-313**, Utah Code Annotated 1953

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

41        Section 1. Section **31A-22-1017** is enacted to read:

42        **31A-22-1017 . Attestation required.**

43        (1) As used in this section, "zero estimated exposure policy" means a policy of insurance  
44        that an employer obtains to cover the employer's liability to pay compensation under  
45        Title 34A, Chapter 2, Workers' Compensation Act, or Title 34A, Chapter 3, Utah  
46        Occupational Disease Act, after reporting the employer's total estimated exposure is zero.

47        (2) An insurer shall require each applicant for a zero estimated exposure policy to sign an  
48        attestation in capital letters with substantially the following form and content "I  
49        ATTEST THAT ALL INFORMATION PROVIDED IN THIS APPLICATION IS  
50        CURRENT, TRUE, ACCURATE, AND COMPLETE TO THE BEST OF MY  
51        KNOWLEDGE AND BELIEF. I FURTHER ATTEST THAT I HAVE NO  
52        EMPLOYEES AND AN ESTIMATED EXPOSURE OF ZERO. IF I EMPLOY ANY  
53        EMPLOYEES DURING THE POLICY PERIOD, I SHALL PROVIDE WRITTEN  
54        NOTICE TO MY WORKERS' COMPENSATION INSURER WITHIN 60 DAYS  
55        AFTER THE EMPLOYMENT BEGINS, AND INCLUDE THE ESTIMATED  
56        PAYROLL AND CLASSIFICATION CODES FOR THOSE EMPLOYEES. I  
57        UNDERSTAND THAT AN OMISSION OR MISREPRESENTATION MADE WITH  
58        INTENT TO DEFRAUD IN THIS APPLICATION CONSTITUTES A CRIMINAL  
59        ACTION."

60        Section 2. Section **35A-4-305** is amended to read:

61        **35A-4-305 . Collection of contributions -- Unpaid contributions to bear interest --**

62        **Offer to compromise.**

63        (1)(a) Contributions unpaid on the date on which they the contributions are due and  
64        payable, as prescribed by the division the division determines, shall bear interest at [

65 the rate of 1% per month] a rate the division determines by rule the division makes in  
66 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, from  
67 and after that date until the division receives payment plus accrued interest[is  
68 received by the division].

69 (b)(i) Contribution reports not made and filed by the date on which [they] the  
70 contribution reports are due as [prescribed by the division] the division determines  
71 are subject to a penalty the division determines by rule the division makes in  
72 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to be  
73 assessed and collected in the same manner as contributions due under this section[  
74 equal to 5% of the contribution due if the failure to file on time was not more than  
75 15 days, with an additional 5% for each additional 15 days or fraction thereof  
76 during which the failure continued, but not to exceed 25% in the aggregate and  
77 not less than \$25 with respect to each reporting period].

78 (ii) If a report is filed after the required time and [it is shown to the satisfaction of the  
79 division or its] the division or the division's authorized representative determines  
80 that the failure to file was due to a reasonable cause and not to willful neglect, no [  
81 addition shall be made to the contribution] penalty may be assessed.

82 (c)(i) If contributions are unpaid after 10 days from the date [of the mailing or  
83 personal delivery by the division or its authorized representative, of] the division  
84 or the division's authorized representative mails or personally delivers a written  
85 demand for payment, there shall attach to the contribution, to be assessed and  
86 collected in the same manner as contributions due under this section, a penalty [  
87 equal to 5% of the contribution due] the division determines by rule the division  
88 makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
89 Act.

90 (ii) A penalty may not attach if within 10 days after the mailing or personal delivery,  
91 arrangements for payment [have been] are made with the division, or [its] the  
92 division's authorized representative, and payment is made in accordance with  
93 those arrangements.

94 (d) The division shall assess as a penalty a service charge, in addition to any other  
95 penalties that may apply, in an amount not to exceed the service charge imposed by  
96 Section 7-15-1 for dishonored instruments if:  
97 (i) any amount due the division for contributions, interest, other penalties or benefit  
98 overpayments is paid by check, draft, order, or other instrument; and

99 (ii) the instrument is dishonored or not paid by the institution against which [it] the  
100 instrument is drawn.

101 (e) Except for benefit overpayments under Subsection 35A-4-405(5), benefit  
102 overpayments, contributions, interest, penalties, and assessed costs, uncollected three  
103 years after [they become] becoming due, may be charged as uncollectible and  
104 removed from the records of the division if:

105 (i) no assets belonging to the liable person and subject to attachment [can be] are  
106 found; and

107 (ii) in the opinion of the division there is no likelihood of collection at a future date.

108 (f) [Interest] The division shall deposit interest and penalties collected in accordance  
109 with this section [shall be deposited] into the Workforce Initiatives Fund created in  
110 Section 35A-4-506.

111 (g) [Action required for the collection of sums] The division may bring an action to  
112 collect a sum due under this chapter [is] subject to [the applicable limitations of  
113 actions under] Title 78B, Chapter 2, Statutes of Limitations.

114 (2)(a) If an employer fails to file a report when [prescribed by the division] the division  
115 prescribes for the purpose of determining the amount of the employer's contribution  
116 due under this chapter, or if the report when filed is incorrect or insufficient or is not  
117 satisfactory to the division, the division may determine the amount of wages paid for  
118 employment during the period or periods with respect to which the reports were or  
119 should have been made and the amount of contribution due from the employer on the  
120 basis of any information [it] the division may [be able to] obtain.

121 (b) The division shall give written notice of the determination to the employer.

122 (c) The determination is considered correct unless:

123 (i) the employer, within 10 days after mailing or personal delivery of notice of the  
124 determination, applies to the division for a review of the determination as  
125 provided in Section 35A-4-508; or

126 (ii) [unless] the division or [its] the division's authorized representative [of its own  
127 motion] reviews the determination.

128 (d) The amount of contribution determined under Subsection (2)(a) is subject to  
129 penalties and interest as provided in Subsection (1).

130 (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
131 division shall make rules making a penalty for an employer who fails to file a report  
132 or files an incorrect report due to the employer's misclassification of an employee, as

133                   defined in Section 34-47-102.

134       (3)(a) If, after due notice, an employer defaults in the payment of contributions, interest,  
135           or penalties on the contributions, or a claimant defaults in a repayment of benefit  
136           overpayments and penalties on the overpayments, the amount due shall be collectible  
137           by civil action in the name of the division, and the employer adjudged in default shall  
138           pay the costs of the action.

139       (b) Civil actions brought under this section to collect contributions, interest, or penalties  
140           from an employer, or benefit overpayments and penalties from a claimant shall be:

- 141           (i) heard by the court at the earliest possible date; and
- 142           (ii) entitled to preference upon the calendar of the court over all other civil actions  
143           except:
  - 144           (A) petitions for judicial review under this chapter; and
  - 145           (B) cases arising under the workers' compensation law of this state.

146       (c)(i)(A) To collect contributions, interest, or penalties, or benefit overpayments  
147           and penalties due from employers or claimants located outside Utah, the  
148           division may employ private collectors providing debt collection services  
149           outside Utah.

150           (B) Accounts may be placed with private collectors only after the employer or  
151           claimant has been given a final notice that the division intends to place the  
152           account with a private collector for further collection action.

153           (C) The notice shall advise the employer or claimant of the employer's or  
154           claimant's rights under this chapter and the applicable rules of the department.

155       (ii)(A) A private collector may receive as compensation up to 25% of the lesser of  
156           the amount collected or the amount due, plus the costs and fees of any civil  
157           action or postjudgment remedy instituted by the private collector with the  
158           approval of the division.

159           (B) The employer or claimant shall be liable to pay the compensation of the  
160           collector, costs, and fees in addition to the original amount due.

161       (iii) A private collector is subject to the federal Fair Debt Collection Practices Act, 15  
162           U.S.C. Sec. 1692 et seq.

163       (iv)(A) [A civil action may not be maintained by a] A private collector may not  
164           maintain a civil action without specific prior written approval [or] from the  
165           division.

166       (B) When division approval is given for civil action against an employer or

167 claimant, the division may cooperate with the private collector [to the extent  
168 necessary] to effect the civil action.

169 (d)(i) Notwithstanding Section 35A-4-312, the division may disclose the  
170 contribution, interest, penalties or benefit overpayments and penalties, costs due,  
171 the name of the employer or claimant, and the employer's or claimant's address  
172 and telephone number when any collection matter is referred to a private collector  
173 under Subsection (3)(c).

174 (ii) A private collector is subject to the confidentiality requirements and penalty  
175 provisions provided in Sections 35A-4-312 and 76-8-1304, except to the extent  
176 disclosure is necessary in a civil action to enforce collection of the amounts due.

177 (e) An action taken by the division under this section may not be construed to be an  
178 election to forego other collection procedures by the division.

179 (4)(a) In the event of a distribution of an employer's assets under an order of a court  
180 under the laws of Utah, including a receivership, assignment for benefits of creditors,  
181 adjudicated insolvency, composition, or similar proceedings, contributions then or  
182 thereafter due shall be paid in full prior to all other claims except taxes and claims for  
183 wages of not more than \$400 to each claimant, earned within five months of the  
184 commencement of the proceeding.

185 (b) If an employer commences a proceeding in the Federal Bankruptcy Court under a  
186 chapter of 11 U.S.C. 101 et seq., as amended by the Bankruptcy Abuse Prevention  
187 and Consumer Protection Act of 2005, contributions, interest, and penalties then or  
188 thereafter due shall be entitled to the priority provided for taxes, interest, and  
189 penalties in the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.

190 (5)(a) In addition and as an alternative to any other remedy [provided by this chapter]  
191 this chapter provides, and provided that no appeal or other proceeding for review [  
192 provided by this chapter] this chapter provides is [then] pending and the time for  
193 taking it has expired, the division may issue a warrant in duplicate, under [its] the  
194 division's official seal, directed to the sheriff of any county of the state, commanding  
195 the sheriff to levy upon and sell the real and personal property of a delinquent  
196 employer or claimant found within the sheriff's county for the payment of the  
197 contributions due, with the added penalties, interest, or benefit overpayment and  
198 penalties, and costs, and to return the warrant to the division and pay into the fund the  
199 money collected by virtue of the warrant by a time to be specified in the warrant, not  
200 more than 60 days from the date of the warrant.

201 (b)(i) Immediately upon receipt of the warrant in duplicate, the sheriff shall file the  
202 duplicate with the clerk of the district court in the sheriff's county.

203 (ii) The clerk shall enter in the judgment docket, in the column for judgment debtors,  
204 the name of the delinquent employer or claimant mentioned in the warrant, and in  
205 appropriate columns the amount of the contribution, penalties, interest, or benefit  
206 overpayment and penalties, and costs, for which the warrant is issued and the date  
207 when the duplicate is filed.

208 (c) The amount of the docketed warrant shall:

209 (i) have the force and effect of an execution against all personal property of the  
210 delinquent employer; and

211 (ii) become a lien upon the real property of the delinquent employer or claimant in  
212 the same manner and to the same extent as a judgment duly rendered by a district  
213 court and docketed in the office of the clerk.

214 (d) After docketing, the sheriff shall:

215 (i) proceed in the same manner as is prescribed by law with respect to execution  
216 issued against property upon judgments of a court of record; and

217 (ii) be entitled to the same fees for the sheriff's services in executing the warrant, to  
218 be collected in the same manner.

219 (6)(a) Contributions ~~[imposed by this chapter]~~ this chapter imposes are a lien upon the  
220 property of an employer liable for the contribution required to be collected under this  
221 section who shall sell out the employer's business or stock of goods or shall quit  
222 business, if the employer fails to make a final report and payment on the date [  
223 ~~subsequent to~~] after the date of selling or quitting business on which ~~[they]~~ the  
224 contributions are due and payable as prescribed by rule.

225 (b)(i) An employer's successor, successors, or assigns, if any, are required to  
226 withhold sufficient of the purchase money to cover the amount of the ~~[~~  
227 ~~contributions and interest or penalties]~~ contributions, interest, and penalties due  
228 and payable until the former owner produces a receipt from the division showing  
229 that ~~[they]~~ the contributions, interest, and penalties have been paid or a certificate  
230 stating that no amount is due.

231 (ii) If the purchaser of a business or stock of goods fails to withhold sufficient  
232 purchase money, the purchaser is personally liable for the payment of the amount  
233 of the contributions required to be paid by the former owner, interest and penalties  
234 accrued and unpaid by the former owner, owners, or assignors.

235 (7)(a) If an employer is delinquent in the payment of a contribution, the division may  
236 give notice of the amount of the delinquency by registered mail to all persons having  
237 in their possession or under their control, any credits or other personal property  
238 belonging to the employer, or owing any debts to the employer at the time of the  
239 receipt by them of the notice.

240 (b) A person notified under Subsection (7)(a) shall neither transfer nor make any other  
241 disposition of the credits, other personal property, or debts until:  
242 (i) the division has consented to a transfer or disposition; or  
243 (ii) 20 days after the receipt of the notice.

244 (c) All persons notified under Subsection (7)(a) shall, within five days after receipt of  
245 the notice, advise the division of credits, other personal property, or other debts in  
246 their possession, under their control or owing by them, as the case may be.

247 (8)(a)(i) Each employer shall furnish the division necessary information for the  
248 proper administration of this chapter and shall include wage information for each  
249 employee, for each calendar quarter.

250 (ii) The information shall be furnished at a time, in the form and manner, and to those  
251 individuals as the department may by rule require require by rule the department  
252 makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
253 Act.

254 (iii) The division may require an employer to post a bond for failure to comply with  
255 the rules required by Subsection (8)(a)(i).

256 (b)(i) Each employer shall furnish each individual worker who is separated that  
257 information as the department may by rule require, and shall furnish within 48  
258 hours of the receipt of a request from the division a report of the earnings of any  
259 individual during the individual's base-period.

260 (ii) The report shall be on a form prescribed by the division and contain all  
261 information prescribed by the division.

262 (c)(i) For each failure by an employer to conform to this Subsection (8) the division  
263 shall, unless good cause is shown, assess a [\$50 penalty if the filing was not more  
264 than 15 days late] penalty that the division determines by rule the division makes  
265 in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

266 [(ii) If the filing is more than 15 days late, the division shall assess an additional  
267 penalty of \$50 for each 15 days, or a fraction of the 15 days that the filing is late,  
268 not to exceed \$250 per filing.]

269 [ (iii) ] (ii) The penalty is to be collected in the same manner as contributions due under  
270 this chapter.

271 [(d)(i) The division shall prescribe rules providing standards for determining which  
272 contribution reports shall be filed on magnetic or electronic media or in other  
273 machine-readable form.]

274 [ (ii) In prescribing these rules, the division:]

275 [ (A) may not require an employer to file contribution reports on magnetic or  
276 electronic media unless the employer is required to file wage data on at least  
277 250 employees during any calendar quarter or is an authorized employer  
278 representative who files quarterly tax reports on behalf of 100 or more  
279 employers during any calendar quarter; ]

280 [ (B) shall take into account, among other relevant factors, the ability of the  
281 employer to comply at reasonable cost with the requirements of the rules; and ]

282 [ (C) may require an employer to post a bond for failure to comply with the rules  
283 required by this Subsection (8)(d). ]

284 (9)(a)(i) An employer liable for payments in lieu of contributions shall file  
285 Reimbursable Employment and Wage Reports.

286 (ii) The reports are due on the last day of the month that follows the end of each  
287 calendar quarter unless the division, after giving notice, changes the due date.

288 (iii) A report postmarked on or before the due date is considered timely.

289 (b)(i) Unless the employer can show good cause, the division shall assess a [\$50  
290 penalty] penalty that the division determines by rule the division makes in  
291 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
292 against an employer who does not file Reimbursable Employment and Wage  
293 Reports within the time limits set out in Subsection (9)(a) if the filing was not  
294 more than 15 days late.

295 [ (ii) If the filing is more than 15 days late, the division shall assess an additional  
296 penalty of \$50 for each 15 days, or a fraction of the 15 days that the filing is late,  
297 not to exceed \$250 per filing. ]

298 [ (iii) ] (ii) The division shall assess and collect the penalties referred to in this  
299 Subsection (9)(b) in the same manner as prescribed in Sections 35A-4-309 and  
300 35A-4-311.

301 (10) If a person liable to pay a contribution or benefit overpayment [imposed by this chapter]  
302 that this chapter imposes neglects or refuses to pay [it] the contribution or benefit

303       overpayment after demand, the amount, including any interest, additional amount,  
304       addition to contributions, or assessable penalty, together with any additional accrueable  
305       costs, shall be a lien in favor of the division upon all property and rights to property,  
306       whether real or personal belonging to the person.

307       (11)(a) The lien imposed by Subsection (10) arises at the time the assessment, as defined  
308       in the department rules, is made and continues until the liability for the amount  
309       assessed, or a judgment against the taxpayer arising out of the liability, is satisfied.

310       (b)(i) The lien imposed by Subsection (10) is not valid as against a purchaser, holder  
311       of a security interest, mechanics' lien holder, or judgment lien creditor until the  
312       division files a warrant with the clerk of the district court.

313       (ii) For the purposes of this Subsection (11)(b):

314           (A) "Judgment lien creditor" means a person who obtains a valid judgment of a  
315       court of record for recovery of specific property or a sum certain of money, and  
316       who in the case of a recovery of money, has a perfected lien under the  
317       judgment on the property involved. A judgment lien does not include inchoate  
318       liens such as attachment or garnishment [~~liens until they ripen~~ until the  
319       inchoate lien ripens into a judgment. A judgment lien does not include the  
320       determination or assessment of a quasi-judicial authority, such as a state or  
321       federal taxing authority.

322           (B) "Mechanics' lien holder" means any person who has a lien on real property, or  
323       on the proceeds of a contract relating to real property, for services, labor, or  
324       materials furnished in connection with the construction or improvement of the  
325       property. A person has a lien on the earliest date the lien becomes valid  
326       against subsequent purchasers without actual notice, but not before the person  
327       begins to furnish the services, labor, or materials.

328           (C) "Person" means:

- 329               (I) an individual;
- 330               (II) a trust;
- 331               (III) an estate;
- 332               (IV) a partnership;
- 333               (V) an association;
- 334               (VI) a company;
- 335               (VII) a limited liability company;
- 336               (VIII) a limited liability partnership; or

337 (IX) a corporation.

338 (D) "Purchaser" means a person who, for adequate and full consideration in  
339 money or money's worth, acquires an interest, other than a lien or security  
340 interest, in property which is valid under state law against subsequent  
341 purchasers without actual notice.

342 (E) "Security interest" means any interest in property acquired by contract for the  
343 purpose of securing payment or performance of an obligation or indemnifying  
344 against loss or liability. A security interest exists at any time:

345 (I) the property is in existence and the interest has become protected under the  
346 law against a subsequent judgment lien arising out of an unsecured  
347 obligation; and

348 (II) to the extent that, at that time, the holder has parted with money or money's  
349 worth.

350 (12)(a) Except in cases involving a violation of unemployment compensation provisions  
351 under Sections 76-8-1301, 76-8-1302, 76-8-1303, 76-8-1304, Subsection  
352 35A-4-304(5), or Subsection 35A-4-405(5), and at the discretion of the division, the  
353 division may accept an offer in compromise from an employer or claimant to reduce  
354 past due debt arising from contributions or benefit overpayments imposed under this  
355 chapter.

356 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
357 division shall make rules for allowing an offer in compromise provided under  
358 Subsection (12)(a).

359 Section 3. Section **58-55-313** is enacted to read:

360 **58-55-313 . Subcontractors.**

361 (1) As used in this section:

362 (a) "First-tier subcontractor" means a subcontractor who contracts directly with the  
363 general contractor.

364 (b) "Public project" means the contract is with or authorized by a public entity as defined  
365 in Section 63G-6a-103.

366 (c) "Second-tier subcontractor" means a subcontractor that contracts with a  
367 subcontractor.

368 (d)(i) "Subcontractor" means a person under contract with a general contractor or  
369 another subcontractor to provide services or labor for the construction,  
370 installation, or repair of an improvement to real property.

371 (ii) "Subcontractor" includes a trade contractor or specialty contractor.

372 (iii) "Subcontractor" includes a first-tier subcontractor and a second-tier

373 subcontractor.

374 (iv) "Subcontractor" does not include a supplier that provides only materials,

375 equipment, or supplies to a general contractor or subcontractor.

376 (e) "Zero estimated exposure policy" means the same as that term is defined in Section

377 31A-22-1017.

378 (2) Before engaging in a construction trade on a public project, a subcontractor shall:

379 (a) provide a list of current employees to the general contractor and the property owner

380 for which the subcontractor engages in a construction trade;

381 (b) provide the general contractor and the property owner the second-tier subcontractor's

382 name and the second-tier subcontractor's license number if the subcontractor intends

383 to accept a contract with a second-tier subcontractor related to construction trade on a

384 public project;

385 (c) if the subcontractor holds a zero estimated exposure policy, provide to a person that

386 contracts with the subcontractor for construction trade on a public project:

387 (i) written notice that the subcontractor has a zero estimated exposure policy; and

388 (ii) a copy of the zero estimated exposure policy;

389 (d) ensure that each of the subcontractor's employees on the construction site possess

390 photo identification and shall ensure that the identification will be presented to the

391 division upon request; and

392 (e) provide to the general contractor and the property owner the estimated number of

393 labor hours for their portion of the project.

394 (3) At the division's request, a subcontractor shall provide the following for each current

395 employee of the subcontractor:

396 (a) the name of the employee;

397 (b) the last four digits of the social security number of the employee; and

398 (c) if the employee possesses a professional license, the professional license number of

399 the employee.

400 (4)(a) The general contractor and the property owner shall retain the information the

401 subcontractor provides for three years from the day after the day on which the

402 general contractor and the property owner receive the information from the

403 subcontractor.

404 (b) The general contractor and the property owner shall provide the information the

405                   general contractor and the property owner receive from a subcontractor to the  
406                   division at the division's request.

407           (5) The division may:

408            (a) make audit recommendations to the State Tax Commission; and  
409            (b) provide information obtained in accordance with this section to the State Tax  
410                   Commission.

411           Section 4. Section **58-55-502** is amended to read:

412           **58-55-502 . Unprofessional conduct.**

413           Unprofessional conduct includes:

414           (1) failing to establish, maintain, or demonstrate financial responsibility while licensed as a  
415                   contractor under this chapter;

416           (2) disregarding or violating through gross negligence or a pattern of negligence:  
417                (a) the building or construction laws of this state or any political subdivision;  
418                (b) the safety and labor laws applicable to a project;  
419                (c) any provision of the health laws applicable to a project;  
420                (d) the workers' compensation insurance laws of this state applicable to a project;  
421                (e) the laws governing withholdings for employee state and federal income taxes,  
422                   unemployment taxes, Social Security payroll taxes, or other required withholdings; or  
423                (f) any reporting, notification, and filing laws of this state or the federal government;

424           (3) any willful, fraudulent, or deceitful act by a licensee, caused by a licensee, or at a  
425                   licensee's direction which causes material injury to another;

426           (4) contract violations that pose a threat or potential threat to the public health, safety, and  
427                   welfare including:  
428                (a) willful, deliberate, or grossly negligent departure from or disregard for plans or  
429                   specifications, or abandonment or failure to complete a project without the consent of  
430                   the owner or the owner's duly authorized representative or the consent of any other  
431                   person entitled to have the particular project completed in accordance with the plans,  
432                   specifications, and contract terms;

433                (b) failure to deposit funds to the benefit of an employee as required under any written  
434                   contractual obligation the licensee has to the employee;

435                (c) failure to maintain in full force and effect any health insurance benefit to an  
436                   employee that was extended as a part of any written contractual obligation or  
437                   representation by the licensee, unless the employee is given written notice of the  
438                   licensee's intent to cancel or reduce the insurance benefit at least 45 days before the

effective date of the cancellation or reduction;

- (d) failure to reimburse the Residence Lien Recovery Fund as required by Section 38-11-207;
- (e) failure to provide, when applicable, the information required by Section 38-11-108; and
- (f) willfully or deliberately misrepresenting or omitting a material fact in connection with an application to claim recovery from the Residence Lien Recovery Fund under Section 38-11-204;

) failing as an alarm company to notify the division of the cessation of performance of [its] the alarm company's qualifying agent, or failing to replace [its] the alarm company's qualifying agent as required under Section 58-55-304;

) failing as an alarm company agent to carry or display a copy of the licensee's license as required under Section 58-55-311;

) failing to comply with operating standards established by rule in accordance with Section 58-55-308;

) an unincorporated entity licensed under this chapter having an individual who owns an interest in the unincorporated entity engage in a construction trade in Utah while not lawfully present in the United States;

) an unincorporated entity failing to provide the following for an individual who engages, or will engage, in a construction trade in Utah for the unincorporated entity:

- (a) workers' compensation coverage to the extent required by Title 34A, Chapter 2, Workers' Compensation Act, and Title 34A, Chapter 3, Utah Occupational Disease Act; and
- (b) unemployment compensation in accordance with Title 35A, Chapter 4, Employment Security Act, for an individual who owns, directly or indirectly, less than an 8% interest in the unincorporated entity, as defined by rule made by the division in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

) the failure of an alarm company or alarm company agent to inform a potential customer, before the customer's purchase of an alarm system or alarm service from the alarm company, of the policy of the county, city, or town within which the customer resides relating to priority levels for responding to an alarm signal transmitted by the alarm system that the alarm company provides the customer;[or]

) failing to continuously maintain insurance and registration as required under Subsection 58-55-302(2)[.] ; or

473        (12) failing to comply with Section 58-55-313.

474            **Section 5. Effective Date.**

475        This bill takes effect on May 6, 2026.