



State of Utah
Department of Commerce

Division of Occupational and Professional Licensing

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August 22, 2019

Honorable Curtis S. Bramble, *Chair*
Honorable James A. Dunnigan, *Chair*
Utah Business and Labor Interim Committee
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ANNUAL REPORT OF THE UTAH RESIDENCE LIEN RECOVERY FUND

INTRODUCTION

The Utah Residence Lien Recovery Fund is an alternate payment source for contractors, laborers, or suppliers whose liens are voided because a homeowner qualifies for protection under the Residence Lien Restriction and Lien Recovery Fund Act.

In 1994, the Utah Legislature recognized a problem within the residential construction industry. A few contractors were taking money for construction but not paying subcontractors and suppliers. Therefore, homeowners had to pay the subcontractors and suppliers directly to prevent loss of the home due to lien foreclosure. In effect, the homeowner had to pay twice for the same product or service. To correct this inequity, the Legislature passed the Utah Residence Lien Restriction and Lien Recovery Fund Act.

In 2018, the Utah Legislature passed H.B. 310 which modified the Residence Lien Restriction and Lien Recovery Fund Act. The bill discontinued both initial and special assessments to provide money for the continuing operation of the Residence Lien Recovery Fund. The bill also required the Division of Occupational and Professional Licensing (DOPL) to report the status of the Fund to the Utah Legislature and the Business and Labor Interim Committee by October 1 of each year.