

**Residential Solar Panel Consumer Protection Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor:**

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

This bill establishes additional protections for customers in the residential solar panel market.

**Highlighted Provisions:**

This bill:

- defines terms;
- creates additional disclosure language;
- mandates that a solar retailer's estimated energy production be within a specified percentage of the actual energy production;
- assigns liability to the solar retailer if the estimated energy production is not within a specified percentage of the actual energy production;
- creates a registration and security requirement for a solar retailer to do business in Utah;
- requires a solar retailer sales representative be employed by the solar retailer as a W-2 employee;
- delays a customer's financial obligation on a residential solar energy system until the system is active and producing usable energy; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**13-2-1**, as last amended by Laws of Utah 2024, Chapter 132

**13-52-102**, as enacted by Laws of Utah 2018, Chapter 290

**13-52-202**, as last amended by Laws of Utah 2024, Chapter 136

**13-52-206**, as enacted by Laws of Utah 2018, Chapter 290

ENACTS:

32 **13-52-302**, Utah Code Annotated 1953

33 **13-52-401**, Utah Code Annotated 1953

34 **13-52-501**, Utah Code Annotated 1953

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

37 Section 1. Section **13-2-1** is amended to read:

38 **13-2-1 . Consumer protection division established -- Functions.**

39 (1) There is established within the Department of Commerce the Division of Consumer  
40 Protection.

41 (2) The division shall administer and enforce the following:

42 (a) Chapter 10a, Music Licensing Practices Act;

43 (b) Chapter 11, Utah Consumer Sales Practices Act;

44 (c) Chapter 15, Business Opportunity Disclosure Act;

45 (d) Chapter 20, New Motor Vehicle Warranties Act;

46 (e) Chapter 21, Credit Services Organizations Act;

47 (f) Chapter 22, Charitable Solicitations Act;

48 (g) Chapter 23, Health Spa Services Protection Act;

49 (h) Chapter 25a, Telephone and Facsimile Solicitation Act;

50 (i) Chapter 26, Telephone Fraud Prevention Act;

51 (j) Chapter 28, Prize Notices Regulation Act;

52 (k) Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter  
53 Transaction Information Act;

54 (l) Chapter 34, Utah Postsecondary School and State Authorization Act;

55 (m) Chapter 41, Price Controls During Emergencies Act;

56 (n) Chapter 42, Uniform Debt-Management Services Act;

57 (o) Chapter 49, Immigration Consultants Registration Act;

58 (p) Chapter 51, Transportation Network Company Registration Act;

59 (q) Chapter 52, Residential Solar Energy [~~Disclosure~~] Consumer Protection Act;

60 (r) Chapter 53, Residential, Vocational and Life Skills Program Act;

61 (s) Chapter 54, Ticket Website Sales Act;

62 (t) Chapter 56, Ticket Transferability Act;

63 (u) Chapter 57, Maintenance Funding Practices Act;

64 (v) Chapter 61, Utah Consumer Privacy Act;

65 [~~(w) Chapter 63, Utah Social Media Regulation Act;~~]

- 66        [(x)] (w) Chapter 64, Vehicle Value Protection Agreement Act;  
 67        [(y)] (x) Chapter 65, Utah Commercial Email Act;  
 68        [(z)] (y) Chapter 67, Online Dating Safety Act;  
 69        [(aa)] (z) Chapter 68, Lawyer Referral Consultants Registration Act;  
 70        [(bb)] (aa) Chapter 70, Automatic Renewal Contracts Act; and  
 71        [(ee)] (bb) Chapter 71, Utah Minor Protection in Social Media Act.
- 72    (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 73        division may make rules to establish:
- 74        (a) a public list that identifies a person who:
- 75            (i) violates a chapter described in Subsection (2);  
 76            (ii) without proper legal justification, fails to comply with an order, subpoena,  
 77                judgment, or other legal process issued by:
- 78                (A) the division; or  
 79                (B) a court of competent jurisdiction; or
- 80            (iii) breaches a settlement agreement, stipulation, assurance of voluntary compliance,  
 81                or similar instrument signed by the person and the division; and
- 82        (b) a process by which a person may be removed from the list the division establishes as  
 83        described in Subsection (3)(a).

84        Section 2. Section **13-52-102** is amended to read:

85        **CHAPTER 52. RESIDENTIAL SOLAR ENERGY CONSUMER PROTECTION ACT**

87        **13-52-102 . Definitions.**

88        As used in this chapter:

- 89        (1) "Actual energy production" means the kilowatt-hours produced and measured by the solar energy system.
- 90        (2) "Customer" means a person who, for primarily personal, family, or household purposes:
- 91            (a) purchases a residential solar energy system under a system purchase agreement;  
 92            (b) leases a residential solar energy system under a system lease agreement; or  
 93            (c) purchases electricity under a power purchase agreement.
- 94        [(2)] (3) "Division" means the Division of Consumer Protection, established in Section  
 95        13-2-1.
- 96        (4)(a) "Employee" means an individual whose compensation for federal income tax  
 97        purposes is reported, or is required to be reported, on a W-2 form issued by the  
 98        employer.

- 99 (b) "Employee" does not include an independent contractor whose manner and means of  
100 work performance are not subject to direction, supervision, or instruction from the  
101 person who employed the independent contractor.
- 102 (5) "Estimate of energy production" means the solar retailer's estimate, measured by  
103 kilowatt-hour, of how much energy the solar energy system will produce.
- 104 [(3)] (6) "Power purchase agreement" means an agreement:
- 105 (a) between a customer and a solar retailer;
- 106 (b) for the customer's purchase of electricity generated by a residential solar energy  
107 system owned by the solar retailer; and
- 108 (c) that provides for the customer to make payments over a term of at least five years.
- 109 [(4)] (7) "Residential solar energy system":
- 110 (a) means a solar energy system that:
- 111 (i) is installed in the state;
- 112 (ii) generates electricity primarily for on-site consumption for personal, family, or  
113 household purposes;
- 114 (iii) is situated on no more than four units of residential real property; and
- 115 (iv) has an electricity delivery capacity that exceeds one kilowatt; and
- 116 (b) does not include a generator that:
- 117 (i) produces electricity; and
- 118 (ii) is intended for occasional use.
- 119 (8) "Sales representative" means an individual who enters a business relationship with a  
120 solar retailer:
- 121 (a) to solicit orders for a solar energy system; and
- 122 (b) under which the individual is compensated, in whole or in part, by commission.
- 123 [(5)] (9) "Solar agreement" means a system purchase agreement, a system lease agreement,  
124 or a power purchase agreement.
- 125 [(6)] (10) "Solar energy system" means a system or configuration of solar energy devices  
126 that collects and uses solar energy to generate electricity.
- 127 [(7)] (11) "Solar retailer" means a person who:
- 128 (a) sells or proposes to sell a residential solar energy system to a customer under a  
129 system purchase agreement;
- 130 (b) owns the residential solar energy system that is the subject of a system lease  
131 agreement or proposed system lease agreement; or
- 132 (c) sells or proposes to sell electricity to a customer under a power purchase agreement.

133 [(8)] (12) "System lease agreement" means an agreement:

134 (a) under which a customer leases a residential solar energy system from a solar retailer;

135 and

136 (b) that provides for the customer to make payments over a term of at least five years for

137 the lease of the residential solar energy system.

138 [(9)] (13) "System purchase agreement" means an agreement under which a customer

139 purchases a residential solar energy system from a solar retailer.

140 Section 3. Section **13-52-202** is amended to read:

141 **13-52-202 . Contents of disclosure statement for any solar agreement.**

142 If a solar retailer is proposing to enter any solar agreement with a potential

143 customer, the disclosure statement required in Subsection 13-52-201(1) shall include:

144 (1) a statement indicating that operations or maintenance services are not included as part

145 of the solar agreement, if those services are not included as part of the solar agreement;

146 (2) if the solar retailer provides any written estimate of the savings the potential customer is

147 projected to realize from the residential solar energy system:

148 (a)(i) the estimated projected savings over the life of the solar agreement; and

149 (ii) at the discretion of the solar retailer, the estimated projected savings over any

150 longer period not to exceed the anticipated useful life of the residential solar

151 energy system;

152 (b) any material assumptions used to calculate estimated projected savings and the

153 source of those assumptions, including:

154 (i) if an annual electricity rate increase is assumed, the rate of the increase and the

155 solar retailer's basis for the assumption of the rate increase;

156 (ii) the potential customer's eligibility for or receipt of tax credits or other

157 governmental or utility incentives;

158 (iii) system production data, including production degradation;

159 (iv) the residential solar energy system's eligibility for interconnection under any net

160 metering or similar program;

161 (v) electrical usage and the residential solar energy system's designed offset of the

162 electrical usage;

163 (vi) historical utility costs paid by the potential customer;

164 (vii) any rate escalation affecting a payment between the potential customer and the

165 solar retailer; and

166 (viii) the costs associated with replacing equipment making up part of the residential

167 solar energy system or, if those costs are not assumed, a statement indicating that  
168 those costs are not assumed; and

169 (c) [~~two~~] three separate statements in capital letters in close proximity to any written  
170 estimate of projected savings, with substantially the following form and content:

171 (i) "THIS IS AN ESTIMATE. UTILITY RATES MAY GO UP OR DOWN AND  
172 ACTUAL SAVINGS, IF ANY, MAY VARY. HISTORICAL DATA ARE NOT  
173 NECESSARILY REPRESENTATIVE OF FUTURE RESULTS. FOR  
174 FURTHER INFORMATION REGARDING RATES, CONTACT YOUR  
175 LOCAL UTILITY OR THE STATE PUBLIC SERVICE COMMISSION."; [~~and~~]

176 (ii) "ESTIMATES OF ENERGY PRODUCTION GENERATED BY A SOLAR  
177 ENERGY SYSTEM MAY VARY. THE SOLAR ENERGY SYSTEM MAY  
178 PRODUCE LESS THAN THE ESTIMATED ENERGY PRODUCTION. THE  
179 SOLAR ENERGY SYSTEM MAY PRODUCE MORE THAN ESTIMATED  
180 ENERGY PRODUCTION, UP TO THE CAPACITY OF THE SOLAR ENERGY  
181 SYSTEM."; and

182 [(~~ii~~)] (iii) "TAX AND OTHER FEDERAL, STATE, AND LOCAL INCENTIVES  
183 VARY AS TO REFUNDABILITY AND ARE SUBJECT TO CHANGE OR  
184 TERMINATION BY LEGISLATIVE OR REGULATORY ACTION, WHICH  
185 MAY IMPACT SAVINGS ESTIMATES. CONSULT A TAX PROFESSIONAL  
186 FOR MORE INFORMATION.";

187 (3) a notice with substantially the following form and content: "Legislative or regulatory  
188 action may affect or eliminate your ability to sell or get credit for any excess power  
189 generated by the system, and may affect the price or value of that power.";

190 (4) a notice describing any right a customer has under Section 13-52-207[;] and any other  
191 applicable law to cancel or rescind a solar agreement;

192 (5) a statement describing the system and indicating the system design assumptions,  
193 including the make and model of the solar panels and inverters, system size, positioning  
194 of the panels on the customer's property, estimated first-year energy production, and  
195 estimated annual energy production degradation, including the overall percentage  
196 degradation over the term of the solar agreement or, at the solar retailer's option, over  
197 the estimated useful life of the system;

198 (6) a description of any warranty, representation, or guarantee of energy production of the  
199 system;

200 (7) the approximate start and completion dates for the installation of the system;

- 201 (8) a statement that the solar retailer may not begin installation of the system until at least  
202 four business days after the day on which the solar retailer and customer enter into a  
203 contract;
- 204 (9) a statement indicating whether any warranty or maintenance obligations related to the  
205 system may be transferred by the solar retailer to a third party and, if so, a statement  
206 with substantially the following form and content: "The maintenance and repair  
207 obligations under your contract may be assigned or transferred without your consent to a  
208 third party who will be bound to all the terms of the contract. If a transfer occurs, you  
209 will be notified of any change to the address, email address, or phone number to use for  
210 questions or payments or to request system maintenance or repair.";
- 211 (10) if the solar retailer will not obtain customer approval to connect the system to the  
212 customer's utility, a statement to that effect and a description of what the customer must  
213 do to interconnect the system to the utility;
- 214 (11) a description of any roof penetration warranty or other warranty that the solar retailer  
215 provides the customer or a statement, in bold capital letters, that the solar retailer does  
216 not provide any warranty;
- 217 (12) a statement indicating whether the solar retailer will make a fixture filing or other  
218 notice in the county real property records covering the system, including a Notice of  
219 Independently Owned Solar Energy System, and any fees or other costs associated with  
220 the filing that ~~[may be charged]~~ ~~[to]~~ the solar retailer may charge the customer;
- 221 (13) a statement in capital letters with substantially the following form and content: "NO  
222 EMPLOYEE OR REPRESENTATIVE OF [name of solar retailer] IS AUTHORIZED  
223 TO MAKE ANY PROMISE TO YOU THAT IS NOT CONTAINED IN THIS  
224 DISCLOSURE STATEMENT CONCERNING COST SAVINGS, TAX BENEFITS,  
225 OR GOVERNMENT OR UTILITY INCENTIVES. YOU SHOULD NOT RELY  
226 UPON ANY PROMISE OR ESTIMATE THAT IS NOT INCLUDED IN THIS  
227 DISCLOSURE STATEMENT.";
- 228 (14) a statement in capital letters with substantially the following form and content: "[name  
229 of solar retailer] IS NOT AFFILIATED WITH ANY UTILITY COMPANY OR  
230 GOVERNMENT AGENCY. NO EMPLOYEE OR REPRESENTATIVE OF [name of  
231 solar retailer] IS AUTHORIZED TO CLAIM AFFILIATION WITH A UTILITY  
232 COMPANY OR GOVERNMENT AGENCY."; and
- 233 (15) any additional information, statement, or disclosure the solar retailer considers  
234 appropriate, as long as the additional information, statement, or disclosure does not have

235 the purpose or effect of obscuring the disclosures required under this part.

236 Section 4. Section **13-52-206** is amended to read:

237 **13-52-206 . Good faith estimate allowed.**

238 (1) A solar retailer that does not have, at the time of providing a disclosure statement  
239 required ~~[in]~~ by Subsection 13-52-201(1), ~~[have]~~ information required under Section  
240 13-52-202, 13-52-203, 13-52-204, or 13-52-205 to be included in the disclosure  
241 statement may make a good faith estimate of that information, if the solar retailer clearly  
242 indicates that the information is an estimate and provides the basis for the estimate.

243 (2) If the actual energy production fails to reach 80% of the estimate of energy production  
244 after one year following activation of the solar energy system, the solar retailer is liable  
245 to the customer.

246 Section 5. Section **13-52-302** is enacted to read:

247 **13-52-302 . Registration and security required.**

248 (1)(a)

249 Each solar retailer shall register annually with the division before selling a  
250 residential solar energy system if:

251 (i) the solar retailer engages in solicitations that:

252 (A) originate in this state; or

253 (B) are received in state; or

254 (ii) the solar retailer, or the solar retailer's sales representative, conducts any business  
255 operations in Utah.

256 (b) The registration form shall designate an agent residing in this state who is authorized  
257 by the solar retailer to receive service of process in any action brought by this state or  
258 a resident of this state.

259 (c) If a solar retailer fails to designate an agent to receive service or fails to appoint a  
260 successor to the agent, the division shall:

261 (i) deny the solar retailer's application for an initial or renewal registration; and

262 (ii) if the application is for a renewal registration, suspend the solar retailer's current  
263 registration until the solar retailer designates an agent.

264 (d) For purposes of this section only, the registered agent of a solar retailer shall provide  
265 the division the registered agent's proof of residency in the state in the form of:

266 (i) a valid Utah driver license;

267 (ii) a valid governmental photo identification issued to a resident of this state; or

268 (iii) other verifiable identification indicating residency in this state.

- 269 (2) The division may impose an annual registration fee set in accordance with Section  
270 63J-1-504 that may include the cost of the criminal background check described in  
271 Subsection (4).
- 272 (3)(a) Each solar retailer that is subject to this chapter and selling residential solar  
273 energy systems in this state shall obtain and maintain the following security:
- 274 (i) a performance bond issued by a surety authorized to transact surety business in  
275 this state;
- 276 (ii) an irrevocable letter of credit issued by a financial institution authorized under the  
277 laws of this state or the United States to do business in this state; or
- 278 (iii) a certificate of deposit held in this state in a financial institution authorized under  
279 the laws of this state or the United States to accept deposits from the public.
- 280 (b) A solar retailer's bond, irrevocable letter of credit, or certificate of deposit shall be  
281 payable to the division for the benefit of any consumer who incurs damages as the  
282 result of the solar retailer's violation of this chapter.
- 283 (c) After the consumer has recovered full damages, the division may recover from the  
284 bond, irrevocable letter of credit, or certificate of deposit administrative fines, civil  
285 penalties, investigative costs, attorney fees, and other costs of collecting and  
286 distributing funds under this section.
- 287 (d) A solar retailer shall keep a bond, irrevocable letter of credit, or certificate of deposit  
288 in force for two years after the day on which the seller notifies the division in writing  
289 that the seller has ceased all activities regulated by this chapter.
- 290 (e) The solar retailer shall post a bond, irrevocable letter of credit, or certificate of  
291 deposit in the amount of:
- 292 (i) \$100,000 if:
- 293 (A) neither the solar retailer nor any affiliated person has violated this chapter in  
294 the three-year period immediately before the day on which the seller files the  
295 application; and
- 296 (B) the solar retailer has fewer than 10 employees;
- 297 (ii) \$200,000 if:
- 298 (A) neither the solar retailer nor any affiliated person has violated this chapter in  
299 the three-year period immediately before the day on which the solar retailer  
300 files the application; and
- 301 (B) the solar retailer has 10 or more employees; or
- 302 (iii) \$300,000 if the solar retailer or any affiliated person has violated this chapter in

303 the three-year period immediately before the day on which the solar retailer files  
 304 the application.

305 (4) To register or renew a registration as a solar retailer, an applicant:

306 (a) may not have been convicted of a felony in the 10-year period immediately before  
 307 the day on which the participant files the application;

308 (b) may not have been convicted of a misdemeanor involving moral turpitude, including  
 309 theft, fraud, or dishonesty, in the 10-year period immediately before the day on which  
 310 the participant files the application; and

311 (c) shall submit to the division:

312 (i) the participant's fingerprints, in a form acceptable to the division, for purposes of a  
 313 criminal background check; and

314 (ii) consent to a criminal background check by the Bureau of Criminal Identification  
 315 created in Section 53-10-201.

316 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 317 division may establish by rule the registration requirements for a solar retailer.

318 (6) If information in an application for registration or for renewal of registration as a solar  
 319 retailer materially changes or becomes incorrect or incomplete, the applicant shall,  
 320 within 30 days after the day on which information changes or becomes incorrect or  
 321 incomplete, submit the correct information to the division in a manner that the division  
 322 establishes by rule.

323 (7) The division director may deny or revoke a registration under this section for any  
 324 violation of this chapter.

325 Section 6. Section **13-52-401** is enacted to read:

326 **Part 4. Sales Representative**

327 **13-52-401 . Sales representative relationship.**

328 A sales representative shall be an employee of the solar retailer.

329 Section 7. Section **13-52-501** is enacted to read:

330 **Part 5. Financial Obligations**

331 **13-52-501 . Customer financial obligations.**

332 (1)

333 A customer shall have no financial obligation related to the solar energy system  
 334 until the solar energy system is initially activated and producing usable energy.

335 (2) A customer's financial obligation in accordance with any agreement between the

336 customer and the solar retailer begins once the solar energy system is activated and  
337 produces usable energy regardless of actual production.

338 Section 8. **Effective date.**

339 This bill takes effect on May 7, 2025.