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Property Manager Amendments

2025 FIRST SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Sponsor:

LONG TITLE

General Description:

This bill amends provisions relating to a property manager license.

Highlighted Provisions:

This bill:

- changes the effective date of provisions from the 2025 General Session H.B. 337, Property Manager Requirements, to July 1, 2026;

- provides an exception to the requirement for a property manager to associate with a real estate trust account; and

- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

61-2f-103, as last amended by Laws of Utah 2025, Chapter 248

61-2f-201, as last amended by Laws of Utah 2025, Chapter 248

61-2f-203, as last amended by Laws of Utah 2025, Chapter 248

61-2f-411, as enacted by Laws of Utah 2025, Chapter 248

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

Section 1. Section **61-2f-103** is amended to read:

61-2f-103 . Real Estate Commission.

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

(2) The commission shall:

(a) subject to concurrence by the division and in accordance with Title 63G, Chapter 3,

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

- chapter that are not inconsistent with this chapter, including:
- (i) licensing of:
 - (A) a principal broker;
 - (B) an associate broker;
 - (C) a sales agent; and
 - (D) on or after July 1, 2026, a property manager;
 - (ii) registration of:
 - (A) an entity;
 - (B) an assumed name under which a person conducts business;
 - (C) a branch office; and
 - (D) a property management company;
 - (iii) prelicensing and postlicensing education curricula;
 - (iv) examination procedures;
 - (v) the certification and conduct of:
 - (A) a real estate school;
 - (B) a course provider; or
 - (C) an instructor;
 - (vi) proper handling of money received by a licensee under this chapter;
 - (vii) brokerage office procedures and recordkeeping requirements;
 - (viii) property management;
 - (ix) standards of conduct for a licensee under this chapter;
 - (x) if the commission, with the concurrence of the division, determines necessary, a rule as provided in Subsection 61-2f-306(3) regarding a legal form;
 - (xi) the qualification and designation of an acting principal broker in the event a principal broker dies, is incapacitated, or is unable to perform the duties of a principal broker, as described in Section 61-2f-202; and
 - (xii) giving or paying an inducement gift or a closing gift to a buyer or seller in a real property transaction;
- (b) establish, with the concurrence of the division, a fee provided for in this chapter, except a fee imposed under Part 5, Real Estate Education, Research, and Recovery Fund Act;
- (c) conduct an administrative hearing not delegated by the commission to an administrative law judge or the division relating to the:
- (i) licensing of an applicant;

- 65 (ii) conduct of a licensee;
- 66 (iii) the certification or conduct of a real estate school, course provider, or instructor
- 67 regulated under this chapter; or
- 68 (iv) violation of this chapter by any person;
- 69 (d) with the concurrence of the director, impose a sanction as provided in Section
- 70 61-2f-404;
- 71 (e) advise the director on the administration and enforcement of a matter affecting the
- 72 division and the real estate sales and property management industries;
- 73 (f) advise the director on matters affecting the division budget;
- 74 (g) advise and assist the director in conducting real estate seminars; and
- 75 (h) perform other duties as provided by this chapter.
- 76 (3)(a) Except as provided in Subsection (3)(b), a state entity may not, without the
- 77 concurrence of the commission, make a rule that changes the rights, duties, or
- 78 obligations of buyers, sellers, or persons licensed under this chapter in relation to a
- 79 real estate transaction between private parties.
- 80 (b) Subsection (3)(a) does not apply to a rule made:
- 81 (i) under Title 31A, Insurance Code, or Title 7, Financial Institutions Act; or
- 82 (ii) by the Department of Commerce or any division or other rulemaking body within
- 83 the Department of Commerce.
- 84 (4)(a) The commission consists of five members appointed by the governor and
- 85 approved by the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- 86 (b) Four of the commission members shall:
- 87 (i) have at least five years' experience in the real estate business; and
- 88 (ii) hold an active principal broker, associate broker, or sales agent license.
- 89 (c) One commission member shall be a member of the general public.
- 90 (d) The governor may not appoint a commission member described in Subsection (4)(b)
- 91 who, at the time of appointment, resides in the same county in the state as another
- 92 commission member.
- 93 (e) At least one commission member described in Subsection (4)(b) shall at the time of
- 94 an appointment reside in a county that is not a county of the first or second class.
- 95 (5)(a) Except as required by Subsection (5)(b), as terms of current commission members
- 96 expire, the governor shall appoint each new member or reappointed member to a
- 97 four-year term ending June 30.
- 98 (b) The governor shall, at the time of appointment or reappointment, adjust the length of

terms to ensure that the terms of commission members are staggered so that approximately half of the commission is appointed every two years.

(c) Upon the expiration of the term of a member of the commission, the member of the commission shall continue to hold office until a successor is appointed and qualified.

(d) A commission member may not serve more than two consecutive terms.

(e) Members of the commission shall annually select one member to serve as chair.

(6) When a vacancy occurs in the membership for any reason, the governor, with the advice and consent of the Senate, shall appoint a replacement for the unexpired term.

(7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

(8)(a) The commission shall meet at least monthly.

(b) The director may call additional meetings:

(i) at the director's discretion;

(ii) upon the request of the chair; or

(iii) upon the written request of three or more commission members.

(9) Three members of the commission constitute a quorum for the transaction of business.

(10) A member of the commission shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

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

61-2f-201 . License required.

(1) Unless a person is licensed under this chapter, it is unlawful for the person to do the following with respect to real estate located in this state:

(a) engage in the business of a principal broker, associate broker, or sales agent;

(b) act in the capacity of a principal broker, associate broker, or sales agent;

(c) advertise or assume to act as a principal broker, associate broker, or a sales agent; or

(d) engage in property management.

(2) Except as provided in Section 61-2f-202, an individual is required to be licensed as a principal broker, associate broker, or a sales agent if the individual performs, offers to perform, or attempts to perform one act for valuable consideration of:

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

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

(3) Except as provided in [~~Subsection 61-2f-202(1)~~] Section 61-2f-202.5, unless an individual is licensed as a principal broker, associate broker, sales agent, or property manager, an individual may not, for consideration:

(a) engage in property management; or

(b) offer to engage in property management on behalf of another person.

Section 3. Section **61-2f-203** is amended to read:

61-2f-203 . Licensing requirements.

(1)(a)(i) The division shall determine whether an applicant with a criminal history qualifies for licensure.

(ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or places a license on probation, the applicant may petition the commission for de novo review of the application.

(b) Except as provided in Subsection (6), the commission shall determine all other qualifications and requirements of an applicant for:

(i) a principal broker license;

(ii) an associate broker license;

(iii) a sales agent license; or

(iv) on or after July 1, 2026, a property manager license.

(c) The division, with the concurrence of the commission, shall require and pass upon proof necessary to determine the honesty, integrity, truthfulness, reputation, and competency of each applicant for an initial license or for renewal of an existing license.

(d)(i)(A) Except as provided in Subsection (1)(d)(i)(B), the division, with the concurrence of the commission, shall require an applicant for a sales agent license to complete a division-approved educational program consisting of not less than 120 hours, as designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.

(B) If on the day on which an applicant for a sales agent license applies for the license the applicant is licensed as a real estate sales agent in another state, the division may require the applicant to complete a division-approved, state-specific educational program consisting of the number of hours designated by rule the commission makes in accordance with Title 63G,

- Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.
- (ii)(A) Except as provided in Subsection (1)(d)(ii)(B), the division, with the concurrence of the commission, shall require an applicant for an associate broker or a principal broker license to complete a division-approved educational program consisting of not less than 120 hours, as designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.
- (B) If on the day on which an applicant for an associate broker or a principal broker license applies for the license the applicant is licensed as a real estate broker in another state, the division may require the applicant to complete a division-approved, state-specific educational program consisting of the number of hours designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.
- (iii)(A) ~~[Except]~~ On or after July 1, 2026, except as provided in Subsection (1)(d)(iii)(B), the division shall require that an applicant for a property manager license complete the educational program described in Subsection (1)(d)(iv).
- (B) ~~[If]~~ On or after July 1, 2026, if on the day on which an applicant for a property manager license applies for the license, the applicant is licensed as a property manager in another state, the division may require the applicant to complete a division-approved, state-specific educational program consisting of the number of hours designated by rule the commission makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with the concurrence of the division.
- (iv) The division shall create an educational program for a property manager license that:
- (A) requires at least 24 hours of training;
- (B) covers subjects the division determines necessary for the program; and
- (C) establishes the proportion of hours allocated for each subject in the program.
- (v) An hour required by this section means 50 minutes of instruction in each 60 minutes.
- (vi) The maximum number of program hours available to an individual is eight hours

- 201 per day.
- 202 (e)(i) Except as provided in Subsection (1)(e)(ii), the division, with the concurrence
203 of the commission, shall require an applicant to pass an examination approved by
204 the commission covering:
- 205 (A) the fundamentals of the English language;
 - 206 (B) the fundamentals of arithmetic;
 - 207 (C) the fundamentals of bookkeeping;
 - 208 (D) the fundamentals of real estate principles and practices;
 - 209 (E) this chapter;
 - 210 (F) the rules established by the commission with the concurrence of the division;
 - 211 and
 - 212 (G) any other aspect of Utah real estate license law considered appropriate.
- 213 (ii) If on the day on which an applicant applies for a license the applicant is licensed
214 as a real estate broker or a sales agent in another state, the division may, with the
215 concurrence of the commission, require the applicant to pass a division-approved,
216 state-specific examination rather than the examination required under Subsection
217 (1)(e)(i).
- 218 (iii) Subject to Subsection (1)(e)(iv), the division, with the concurrence of the
219 commission, may modify the length and material of an examination for a property
220 manager license under this chapter if:
- 221 (A) an applicant is licensed as a property manager in another state;
 - 222 (B) the division determines an applicant's prior experience warrants a modification
223 of the examination; or
 - 224 (C) the division determines the applicant has good cause for the modification of
225 the examination.
- 226 (iv) ~~[An]~~ On or after July 1, 2026, an examination for a property manager license
227 shall:
- 228 (A) cover the topics that appear in the educational program described in
229 Subsection (1)(d)(iv); and
 - 230 (B) match the proportion of questions for each topic to the proportion of hours
231 designated by the division in accordance with Subsection (1)(d)(iv)(C).
- 232 (f)(i) Three years' full-time experience as a sales agent or the equivalent is required
233 before an applicant may apply for, and secure a principal broker or associate
234 broker license in this state.

- 235 (ii) The commission shall establish by rule made in accordance with Title 63G,
236 Chapter 3, Utah Administrative Rulemaking Act, subject to concurrence by the
237 division, the criteria by which the commission will accept experience or special
238 education in similar fields of business in lieu of the three years' experience.
- 239 (2)(a) The division, with the concurrence of the commission, may require an applicant to
240 furnish a sworn statement setting forth evidence satisfactory to the division of the
241 applicant's reputation and competency as set forth by rule.
- 242 (b) The division shall require an applicant to provide the applicant's social security
243 number, which is a private record under Subsection 63G-2-302(1)(i).
- 244 (3)(a) An individual who is not a resident of this state may be licensed in this state if the
245 individual complies with this chapter.
- 246 (b) An individual who is not a resident of this state may be licensed as an associate
247 broker or sales agent in this state by:
- 248 (i) complying with this chapter; and
- 249 (ii) being employed or engaged as an independent contractor by or on behalf of a
250 principal broker who is licensed in this state, regardless of whether the principal
251 broker is a resident of this state.
- 252 (4) The division, with the concurrence of the commission, may enter into a reciprocal
253 licensing agreement with another jurisdiction for the licensure of a principal broker, an
254 associate broker, or a sales agent, if the jurisdiction's requirements and standards for the
255 license are substantially similar to those of this state.
- 256 (5)(a) The division and commission shall treat an application to be relicensed of an
257 applicant whose real estate license is revoked as an original application.
- 258 (b) In the case of an applicant for a new license as a principal broker or associate broker,
259 the applicant is not entitled to credit for experience gained before the revocation of a
260 real estate license.
- 261 (6)(a) Notwithstanding Subsection (1)(b), the commission may delegate to the division
262 the authority to:
- 263 (i) review a class or category of applications for initial or renewed licenses;
- 264 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and
- 265 (iii) approve or deny a license application without concurrence by the commission.
- 266 (b)(i) If the commission delegates to the division the authority to approve or deny an
267 application without concurrence by the commission and the division denies an
268 application for licensure, the applicant who is denied licensure may petition the

commission for de novo review of the application.

(ii) An applicant who is denied licensure pursuant to this Subsection (6) may seek agency review by the executive director only after the commission has reviewed the division's denial of the applicant's application.

(7) ~~[An]~~ On or after July 1, 2026, an individual with an active broker, associate broker, or sales agent license may obtain a property manager license without:

- (a) meeting the education requirement described in Subsection (1)(d)(iii); or
- (b) passing an exam required for a property manager license under Subsection (1)(e).

Section 4. Section **61-2f-411** is amended to read:

61-2f-411 . Enforcement related to a property manager.

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

- (a) buying, selling, or exchanging real estate for another person; or
- (b) offering to buy, sell, or exchange real estate for another person.

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

- (a) solicit referrals for clients, owners, customers, and renters;
- (b) pay a finder's fee or exchange valuable consideration to an unlicensed person for referring a prospective client;
- (c) accept a referral fee from an individual, whether licensed or unlicensed;
- (d) contract for services, pay bills, and act on behalf of an owner as provided in a management agreement; and
- (e) advertise properties for rent or lease.

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

- (a) located within the state;
- (b) that, unless otherwise modified by a contract for property management, one or more property managers use for the purpose of securing:
 - (i) tenant security deposits;
 - (ii) rent;
 - (iii) money tendered by a property owner as a reserve fund or for payment of an unexpected expense; and
 - (iv) any other purpose designated by the commission; and
- (c) that is non-interest bearing, unless the parties to a property management contract:
 - (i) agree in writing to deposit the funds in an interest-bearing account;
 - (ii) designate in writing the individuals to whom the parties will pay the interest on

303 completion or failure of the property management contract; and
304 (iii) ensure that the parties and trust account comply with any other rules established
305 by the commission or division.

306 (4) [A] Except as provided in Subsection (5), a property manager who obtains and holds a
307 security bond that protects at least 30% of the estimated property management client
308 funds [the property manager holds in the property manager's bank accounts] is not
309 required to [be associated with] maintain the estimated property management client funds
310 in a trust account.

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

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

314 (b) requirements established by the principal broker.

315 Section 5. **Effective Date.**

316 This bill takes effect on November 15, 2025.