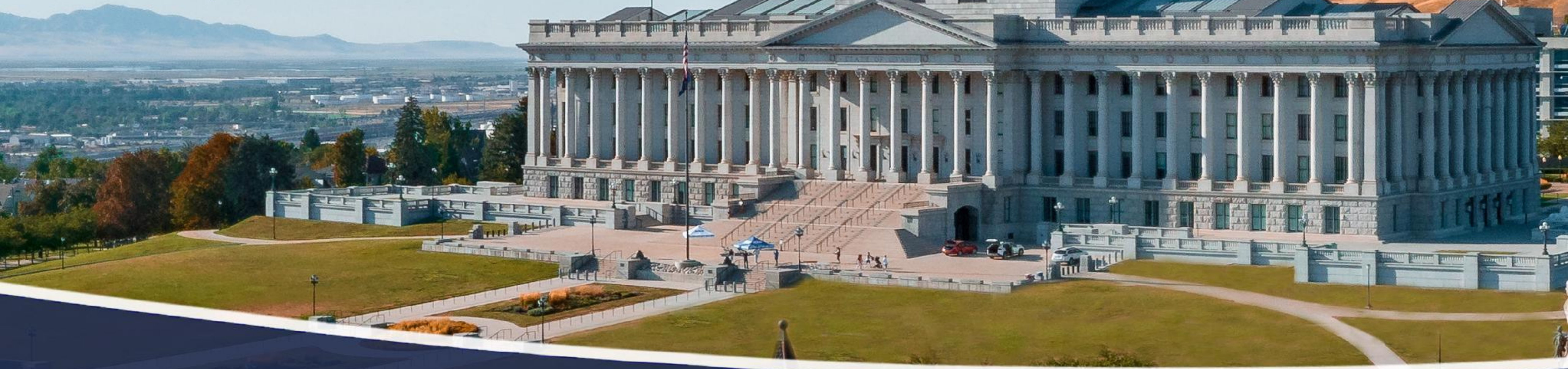
UTAH DIVISION Of CONSUMER PROTECTION

Business & Labor Interim Committee
June 17, 2026

Department *of* Commerce
Division *of* Consumer Protection

Utah Division of Consumer Protection

Mission: Strengthen trust in Utah’s commercial activities by protecting consumers through education and impartial enforcement.



Division of Consumer Protection Scope of Jurisdiction (Utah Code Section 13-2-102)

Chapter 10a, Music Licensing Practices Act;
Chapter 11, Utah Consumer Sales Practices Act;
Chapter 15, Business Opportunity Disclosure Act;
Chapter 20, New Motor Vehicle Warranties Act;
Chapter 21, Credit Services Organizations Act;
Chapter 22, Charitable Solicitations Act;
Chapter 23, Fitness Center Services Protection Act;
Chapter 25a, Telephone and Facsimile Solicitation Act;
Chapter 26, Telephone Fraud Prevention Act;
Chapter 28, Prize Notices Regulation Act;
Chapter 32a, Pawnshop, Secondhand Merchandise, and Catalytic Converter Transaction Information Act;
Chapter 34, Utah Postsecondary School and State Authorization Act;
Chapter 41, Price Controls During Emergencies Act;
Chapter 42, Uniform Debt-Management Services Act;
Chapter 49, Immigration Consultants Registration Act;
Chapter 51, Transportation Network Company Registration Act;
Chapter 52, Residential Solar Energy Consumer Protection Act;
Chapter 53, Residential, Vocational and Life Skills Program Act;
Chapter 54, Ticket Website Sales Act;
Chapter 56, Ticket Transferability Act;
Chapter 57, Maintenance Funding Practices Act;
Chapter 61, Utah Consumer Privacy Act;
Chapter 64, Vehicle Value Protection Agreement Act;
Chapter 65, Utah Commercial Email Act;
Chapter 67, Online Dating Safety Act;
Chapter 68, Lawyer Referral Consultants Registration Act;
Chapter 70, Automatic Renewal Contracts Act;
Chapter 71, Utah Minor Protection in Social Media Act;
Chapter 72a, Artificial Intelligence Applications Relating to Mental Health;
Chapter 77, Generative Artificial Intelligence - Consumer Disclosures and Enforcement;
Chapter 78, Earned Wage Access Services Act;
Chapter 82, Feminine Hygiene Products;
Chapter 83, Virtual Currency Kiosk Regulation
Chapter 86, Utah Digital Choice Act
Title 76, Chapter 17, Part 3, Participating in a Pyramid Scheme
Title 78B, Chapter 3, Part 10, Liability for Publishers and Distributors of Material Harmful to Minors.

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Nearly 90% of cases the Division closes contain a CSPA element

Catalytic Converter Transaction Information Act;
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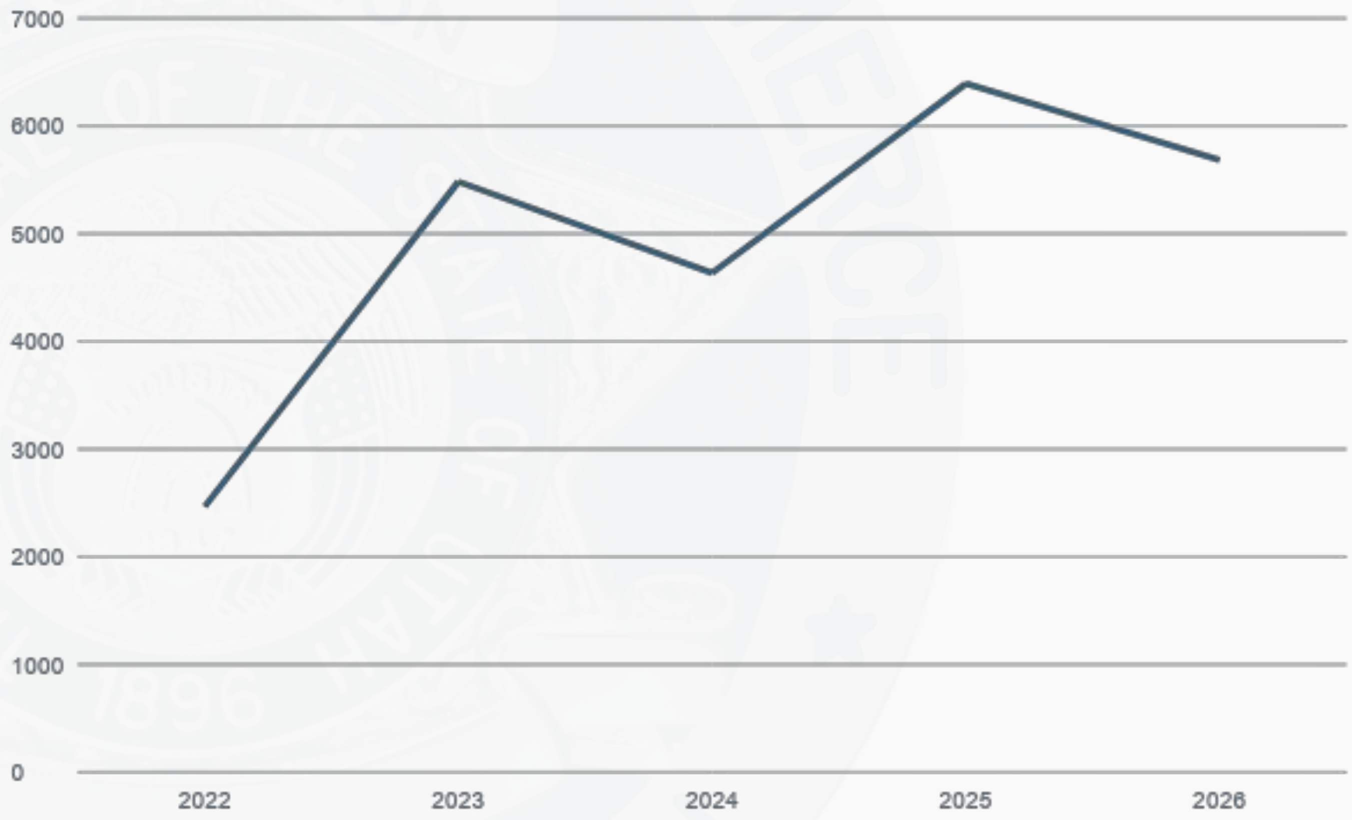
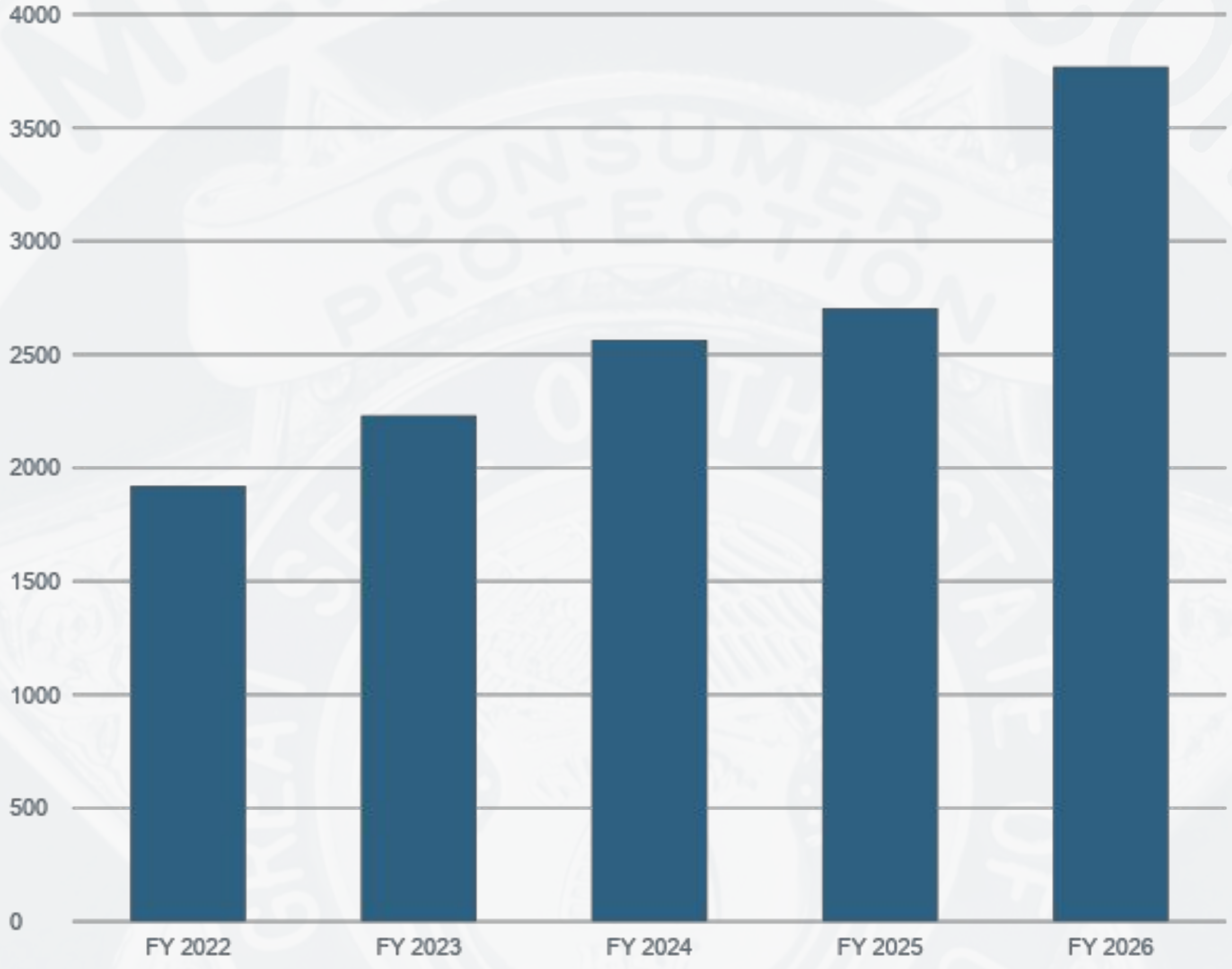
Number of Calls Logged

Fiscal Year	Calls Logged
2022	2,469
2023	5,482
2024	4,637
2025	6,392
2026	5,684



Number of Complaints by Fiscal Year



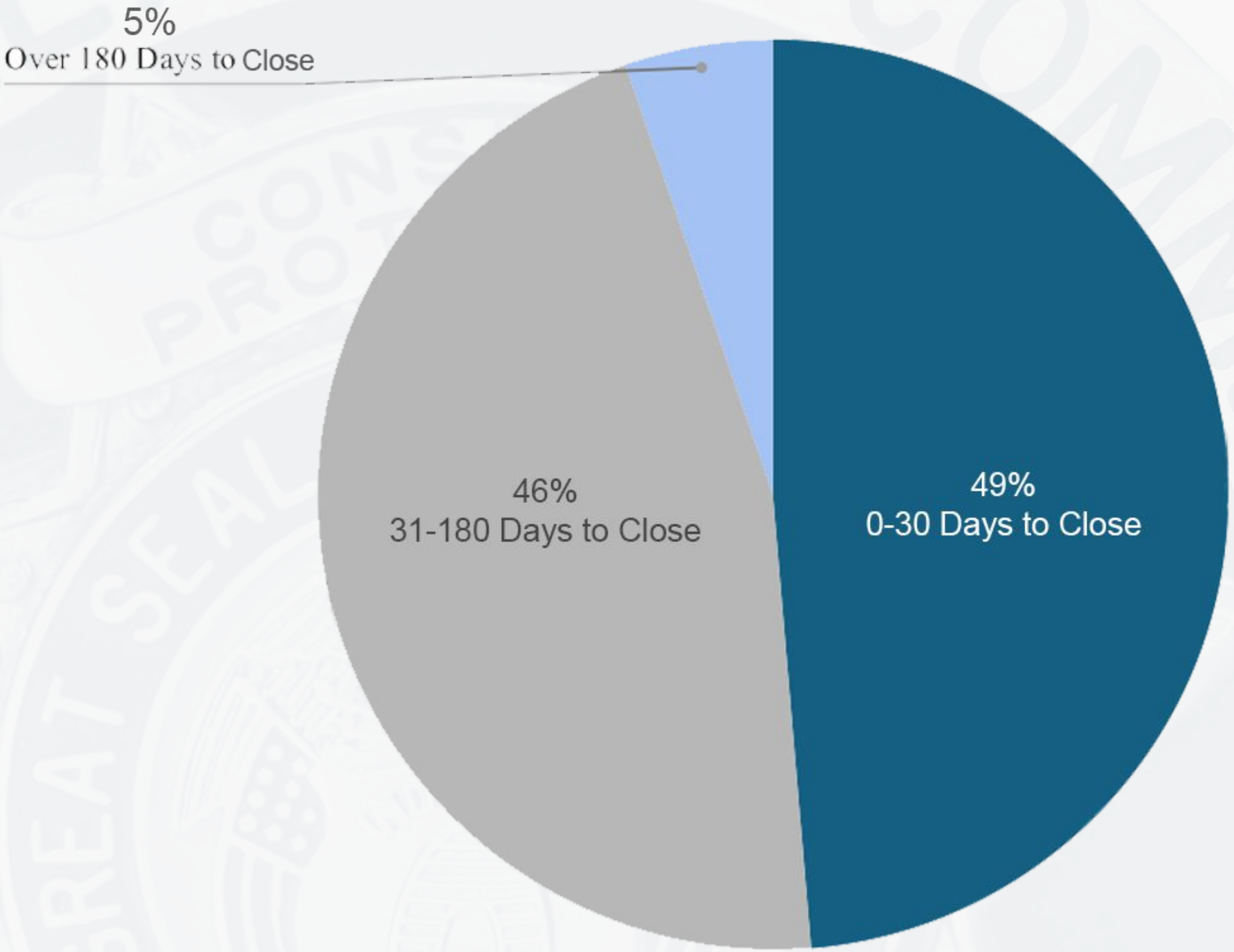
Approximately 25% of Complaints are logged as "Information Only"

Info Only Complaint Totals:

2023: 404
2024: 602
2025: 822
2026: 824

Definition: Information only complaints are complaints with the status of information only have been screened and a decision was made to close the complaint without assigning it to an investigator. This could be due to a lack of information on the complaint form, a lack of jurisdiction, or because the complaint is a duplicate of a previously received complaint among other reasons.

2026 Investigative Timeframes



95% of cases closed in 180 days or less

Summary of Cases Closed in Fiscal Year 2026

Total Cases Closed: 1,864*

Case Disposition:

Voluntary Compliance: 36% - Companies addressed the potential violation without further action.
Legal Action: 10% - Legal proceedings were initiated including, citation, settlement, or AVC.
Insufficient Evidence: 43% - No violation found, unfounded claim or lack of evidence
Other: 11% - Closed due to pending private litigation, lack of resources, lack of jurisdiction, referred to another agency, or duplicate cases.

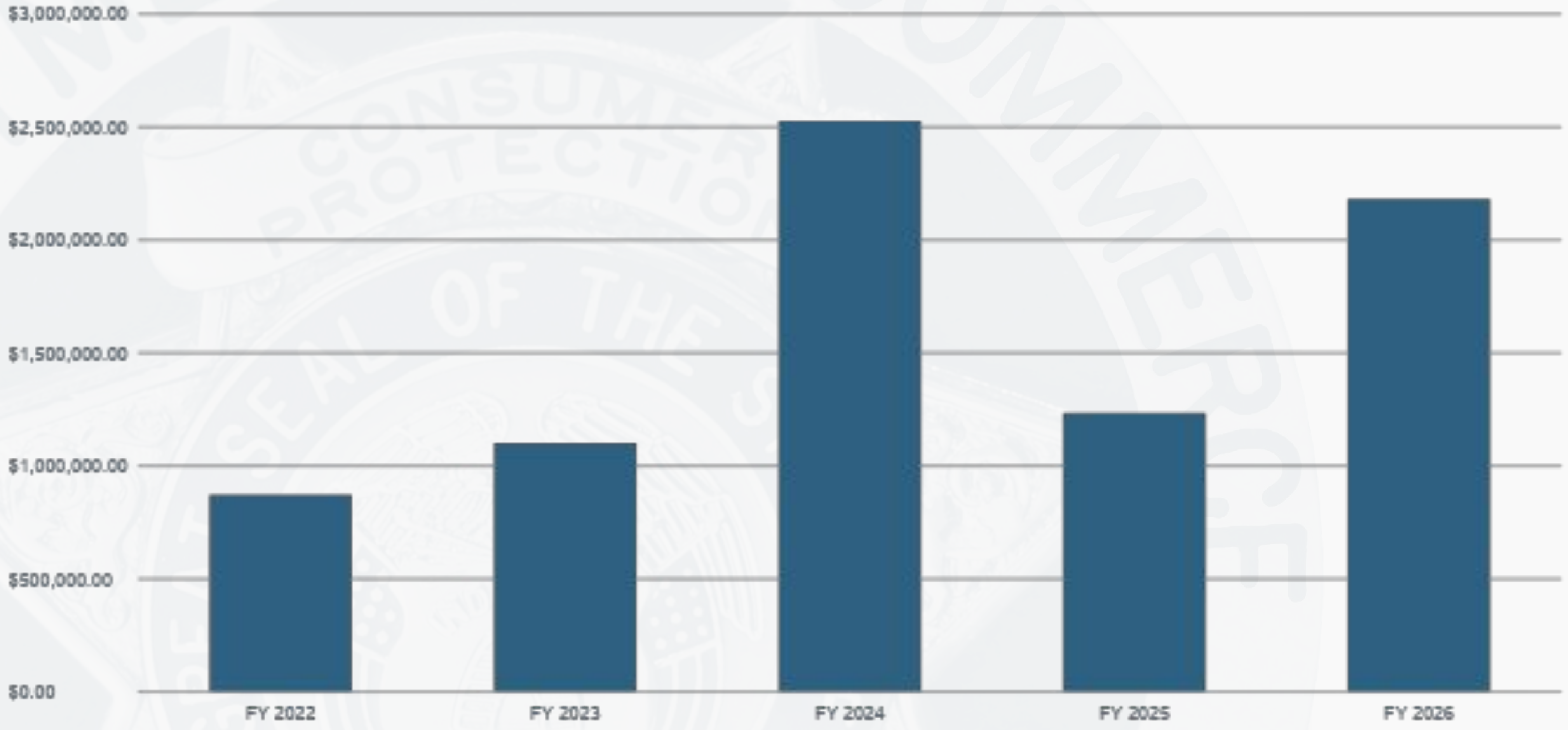
Consumer Recovery:

32% of Consumers received a form of recovery, even if no formal action was taken.

Total Recovery: $2,181,808.84**
Average Value Recovered: $1,200.02

*June 2026 partially reported
**does not include multistate and federal settlements

Value Recovered by Fiscal Year



Top 5 Complaints in 2026

1. Auto Purchases – New/Used Car Sales
2. Home Repair/Remodel
3. Auto – Repairs/Restorations/Parts
4. Housing – Landlord/Tenant
5. Solar Sales

Outreach
Auto Sales

Construction Fraud Task Force

Residential Construction cases are consistently in the Top 10, often ranked #1

Structure

- DCP and DOPL lead the Task Force and collaborate on investigations
- Cases are referred to a dedicated prosecutor in the AGO as appropriate

Task Force Objectives

- Education
- Improved Enforcement
- Regulatory Reform

Construction Fraud Task Force

<u>Common Case Types</u>

- “Deposit Ponzi”
- Deposit Theft
- Lowball Bid/Price Inflation During Job

Construction Fraud Task Force

Legislative Approaches From Other States

- Arizona – Recovery Fund
- Pennsylvania – Home Improvement Consumer Protection Act
- Colorado – Contractor Trust Fund Statute
- Texas, Georgia, California, Louisiana – Criminal Deposit Misappropriation

Registrations in Fiscal Year 2026

Registrations Processed	
Postsecondary Schools	143
Business Opportunities	8
Catalytic Converter Purchaser	16
Credit Service Organization (Bonded)	25
Debt Management Service	28
Earned Wage Access Services	33
Franchise Proof of Notice Filing	1926
Fitness Center	215
Immigration Consultant	115
Lawyer Referral	0
Maintenance Funding Provider	30
Pawn Shop Law Enforcement Access	118
Pawn Shop Registration	107
Professional Fundraiser and Fundraising Consultants	274
Residential Vocational and Life Skills	6
Second-Hand Resellers	273
Telephone Solicitor	78
Transportation Network Companies	4
Total Registrations	3399

Total Registrations: 3,399

Maintenance Funding Audit

Sweeping Maintenance Funding Audit Results in Nearly $100K in Fines

December 5, 2025

The Utah Department of Commerce's Division of Consumer Protection found over 600 violations.

SALT LAKE CITY, UT — The Utah Division of Consumer Protection (Division) today announced the conclusion of a significant compliance audit targeting maintenance funding providers (MFPs) operating in Utah. The Division found more than 600 violations of the state's Maintenance Funding Practices Act (MFPA), Utah Code § 13-57, resulting in nearly $100,000 in fines paid. These enforcement actions are the direct result of the Division's focused compliance review of this rapidly expanding industry.

Enforcement Highlights and Violations
The Division entered into legal settlements with 14 maintenance providers operating in Utah. The settlements addressed a variety of unlawful activities. The most common violations included:

- Failure to ensure Maintenance Funding Agreements comply with mandatory disclosure requirements (Utah Code § 13-57-302).
- Inappropriate referral and operational practices (Utah Code § 13-57-202).
- Failure to properly register with the Division (Utah Code § 13-57-201).

"Non-compliance with Utah law will not be tolerated," stated Katie Hass, Director of the Utah Division of Consumer Protection. She added that "The State enacted the Maintenance Funding Practices Act to ensure transparency and to prevent predatory practices in this high-cost lending sector. The audit and resulting fines reflect the seriousness of ignoring critical consumer protections."

What is Maintenance Funding?
A maintenance funding provider offers legal financing to individuals pursuing civil lawsuits who prefer not to wait for the final judgment to access funds. This service is structured as "non-recourse," meaning that if the individual loses their case, they are typically not obligated to repay the provider. In exchange for this financing, the funding provider secures the right to a predetermined portion of any future settlement, judgment, or award the individual receives.

Industry Growth Since MFPA Enactment
The audit comes as the maintenance funding industry in Utah has experienced tremendous growth since the MFPA was enacted in 2020. The annual reports filed with the Division show that the number of maintenance funding agreements with Utah consumers has nearly quadrupled, increasing from 347 agreements in 2020 to 1,348 in 2024. This rapid growth underscores the need for proactive regulatory enforcement.

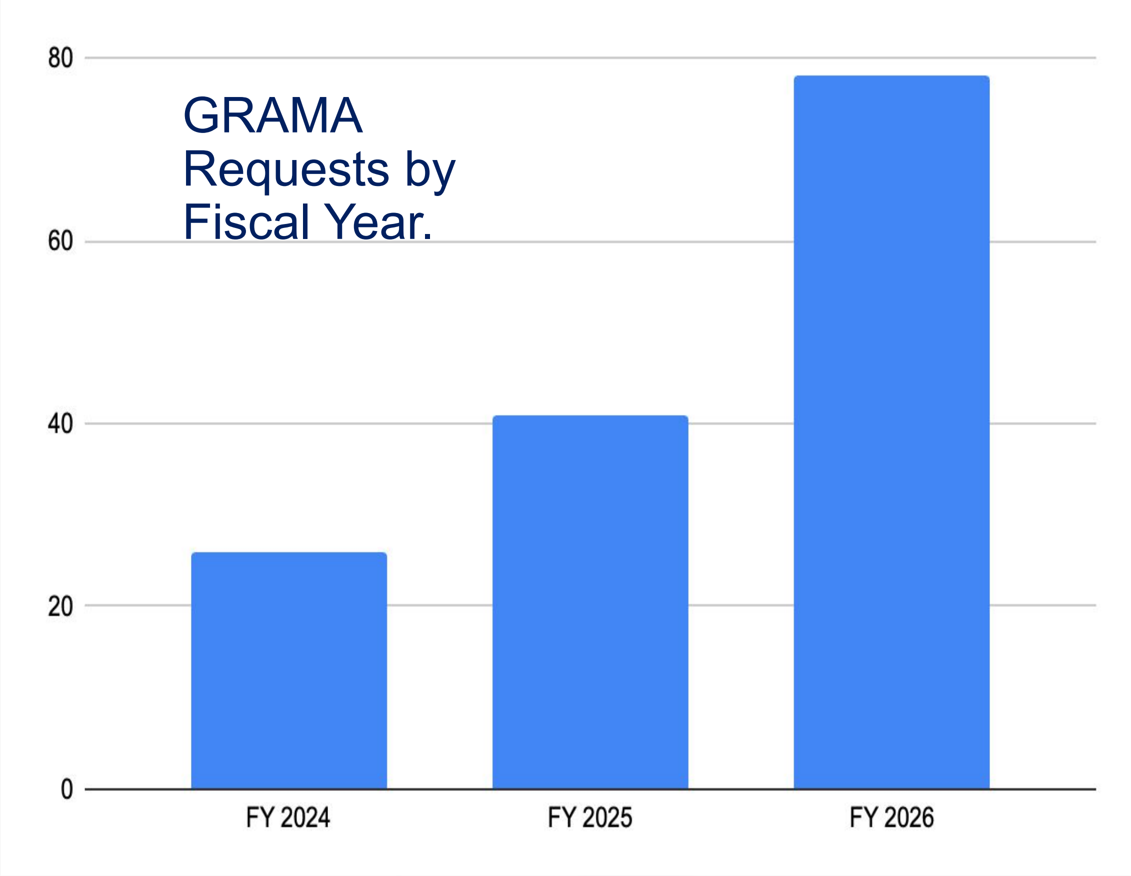
Call to Action for Consumers
The Division encourages any consumer considering a legal funding agreement to:

1. **Verify Registration:** Check dcp.utah.gov under the "Verify a Registration" tool to ensure the provider is properly registered to operate in Utah.
2. **Review Disclosures:** Ensure the funding agreement contains all required, plain-language disclosures, including **the five-business-day right of rescission** and an explicit statement that the funded amount is paid only from the proceeds of the legal claim.
3. **Consult an Attorney:** Always consult with the attorney handling the legal action before signing any funding agreement.

Consumers who suspect a violation of the Maintenance Funding Practices Act are urged to file a complaint with the Utah Division of Consumer Protection immediately at dcp.utah.gov or by calling 801-530-6601.

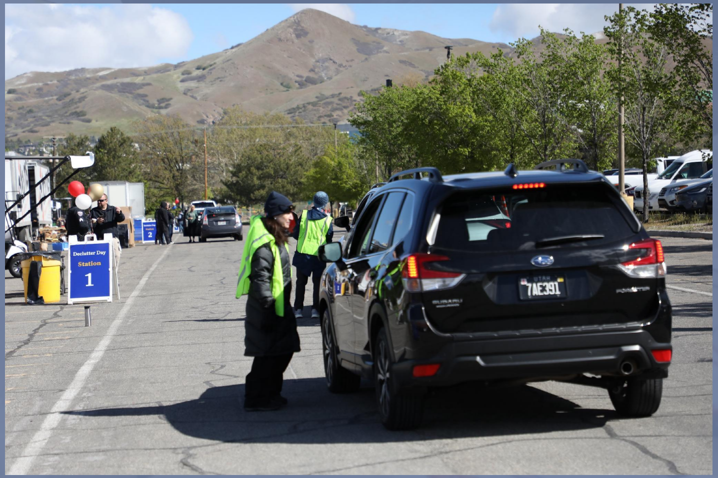
GRAMA Requests

In FY 2026 DCP received 74 GRAMA requests.



Outreach & Education

- Declutter Day
- Consumer Protection Symposium
- Business Association Presentations
- Penny Rounding Advisory
- Senior Presentations
- AARP Presentations
- Social Media Warnings
- Website
- Transparency on the Lot Flyer
- Media Reports



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THANK YOU

QUESTIONS?