

**Effective 5/10/2016**

**57-19-26 Exemptions.**

- (1) Unless entered into for the purpose of evading the provisions of this chapter, the following transactions are exempt from registration:
  - (a) an isolated transaction by an owner of an interest in a development or by a person holding the owner's executed power of attorney;
  - (b) an offer or sale by a governmental entity; and
  - (c) a resale of an interest that is:
    - (i) acquired:
      - (A) by the developer who initially registered the development or by the managing association of the development; and
      - (B) through a foreclosure, quitclaim deed, deed in lieu of foreclosure, or equivalent means;
    - (ii) not offered as part of a development that includes one or more interests that are unregistered or have been registered by a different developer or as part of a different development; and
    - (iii) closed after the developer or managing association provides a purchaser the disclosures required by Section 57-19-11 and the right to rescind required by Section 57-19-12.
- (2) After a resale by a developer or managing association that is claimed to be exempt under Subsection (1)(c), the division retains jurisdiction to:
  - (a) investigate a complaint regarding the resale; and
  - (b) if applicable, take an administrative action against the developer or managing association on the basis of unprofessional conduct, as described in Section 57-19-13.
- (3)
  - (a) The director may, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, or by order, exempt any person from any requirement of this chapter if the director finds that the offering of an interest in a development is essentially noncommercial.
  - (b) The offering of an interest in a development that has 10 or fewer interests is considered essentially noncommercial.
  - (c) A person who does not meet the requirements described in Subsection (3)(b), but believes that a proposed offering of more than 10 interests in a development is essentially noncommercial, may request an order of exemption from the director.
  - (d) To request an order of exemption under this section, a person shall submit to the director a request for agency action in accordance with Section 63G-4-201.

Amended by Chapter 255, 2016 General Session