

Effective 5/10/2016

57-19-6 Effective date of application.

- (1) An application for registration filed pursuant to Section 57-19-5 is effective upon the expiration of 30 business days following its filing with the director, unless:
 - (a) an order denying the application pursuant to Section 57-19-13 is in effect;
 - (b) a prior effective date has been ordered by the director; or
 - (c) the director has, before that date, notified the applicant of a defect in the registration application.
- (2) An applicant shall consent to the delay of effectiveness until the director by order declares the registration to be effective.
- (3)
 - (a) Notwithstanding Section 57-19-4, the division may grant a developer a temporary permit that allows a developer to advertise, offer, or sell an interest:
 - (i) before the developer's application for registration is approved; and
 - (ii) for a period of 30 days or less.
 - (b) To obtain a temporary permit, the developer shall:
 - (i) submit an application to the division for a temporary permit in the form required by the division;
 - (ii) submit a substantially complete application for registration to the division, including all appropriate fees and exhibits required under Section 57-19-5, plus a temporary permit fee of \$100;
 - (iii) provide evidence acceptable to the division that all funds received by the developer or marketing agent will be placed into an independent escrow with instructions that funds will not be released until a final registration has been granted;
 - (iv) give to each purchaser and potential purchaser a copy of the proposed property report that the developer has submitted to the division with the initial application; and
 - (v) give to each purchaser the opportunity to cancel the purchase in accordance with Section 57-19-12.
 - (c) Upon the issuance of an approved registration, a purchaser shall have an additional opportunity to cancel the purchase if the division determines that there is a substantial difference in the disclosures contained in the final property report and those given to the purchaser in the proposed property report.
- (4)
 - (a) Notwithstanding Section 57-19-4, a developer or a person acting on behalf of a developer may market and accept a reservation and deposit from a prospective purchaser before submitting to the division an application for registration or a temporary permit if:
 - (i) the deposit is placed in a non-interest bearing escrow account with a licensed real estate broker, a title company, or another escrow that the division approves in advance; and
 - (ii) the deposit is guaranteed to be fully refundable at any time at the request of the prospective purchaser.
 - (b) A deposit that a prospective purchaser tenders under Subsection (4)(a) may not be released to the developer until after:
 - (i) the division approves the development's registration; and
 - (ii) the prospective purchaser executes a written purchase contract creating a binding obligation to purchase.

Amended by Chapter 255, 2016 General Session