

**Effective 9/1/2024**

## **Chapter 1 Fiduciaries**

### **Part 1 General Provisions**

#### **75A-1-101 Definitions for title.**

As used in this title:

- (1) "Conservator" means the same as that term is defined in Section 75-1-201.
- (2) "Descendant" means the same as that term is defined in Section 75-1-201.
- (3) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- (4) "Estate" means, except as provided in Section 75A-5-102, the same as that term is defined in Section 75-1-201.
- (5) "Good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable fiduciary standards.
- (6) "Guardian" means the same as that term is defined in Section 75-1-201.
- (7) "Person" means the same as that term is defined in Section 75-1-201.
- (8) "Personal representative" means the same as that term is defined in Section 75-1-201.
- (9) "Property" means the same as that term is defined in Section 75-1-201.
- (10) "Record" means the same as that term is defined in Section 75-1-201.
- (11) "Sign" means the same as that term is defined in Section 75-1-201.
- (12) "State" means the same as that term is defined in Section 75-1-201.
- (13) "Trust" means, except as provided in Section 75A-5-102, the same as that term is defined in Section 75B-1-101.
- (14) "Will" means the same as that term is defined in Section 75-1-201.

Amended by Chapter 310, 2025 General Session

#### **75A-1-102 Transition clause.**

If, at the time a power of attorney, a power of appointment, an advanced health care directive, or another legal document was executed, the document contained a correct citation to a provision in Title 22, Fiduciaries and Trusts, and Title 75, Utah Uniform Probate Code, that, after the execution of the document, was renumbered and amended for inclusion in this title, that citation is a valid citation to the same provision in this title.

Enacted by Chapter 364, 2024 General Session

### **Part 2 Payments and Deposits by Fiduciaries**

#### **75A-1-201 Definitions for part.**

As used in this part:

- (1) "Fiduciary" means:
  - (a) a trustee under any trust, expressed, implied, resulting or constructive;

- (b) an executor;
- (c) an administrator;
- (d) a guardian;
- (e) a conservator;
- (f) a curator;
- (g) a receiver;
- (h) a trustee in bankruptcy;
- (i) an assignee for the benefit of creditors;
- (j) a partner;
- (k) an agent;
- (l) an officer of a corporation, public or private;
- (m) a public officer; or
- (n) any other person acting in a fiduciary capacity for any person, trust, or estate.

(2) "Principal" means a person to whom a fiduciary owes an obligation.

Amended by Chapter 310, 2025 General Session

**75A-1-202 Transactions prior to May 12, 1925.**

The provisions of this part do not apply to transactions taking place prior to May 12, 1925.

Renumbered and Amended by Chapter 364, 2024 General Session

**75A-1-203 Payments or transfers made to a fiduciary.**

- (1) A person who in good faith pays or transfers to a fiduciary any money or other property that the fiduciary is authorized to receive is not responsible for the proper application of the money or property by the fiduciary.
- (2) A right or title acquired from the fiduciary in consideration of a payment or transfer described in Subsection (1) is not invalid as a consequence of a misapplication by the fiduciary.

Renumbered and Amended by Chapter 364, 2024 General Session

**75A-1-204 Transfer of negotiable instruments by a fiduciary.**

- (1) If a fiduciary endorses a negotiable instrument that is payable or endorsed to the fiduciary or the fiduciary's principal, and the fiduciary has authority to endorse the negotiable instrument on behalf of the principal, the person that receives the negotiable instrument through the endorsement:
  - (a) is not bound to inquire as to whether the fiduciary is committing a breach of the fiduciary's obligation in endorsing or delivering the negotiable instrument; and
  - (b) is not required to provide notice that the fiduciary is committing a breach of the fiduciary's obligation, unless the person:
    - (i) takes the negotiable instrument with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation; or
    - (ii) knows that taking the negotiable instrument amounts to bad faith.
- (2) Notwithstanding Subsection (1), a person is liable to a principal if:
  - (a) the fiduciary transfers a negotiable instrument to the person and the person knows that the fiduciary is transferring the negotiable instrument:
    - (i) as payment of, or as a security for, a personal debt of the fiduciary; or
    - (ii) for the personal benefit of the fiduciary; and

(b) the fiduciary commits a breach of the fiduciary's obligation in transferring the negotiable instrument to the person.

Renumbered and Amended by Chapter 364, 2024 General Session

**75A-1-205 Checks -- Drawn by a fiduciary and payable to a third person.**

(1) If a fiduciary draws a check or other bill of exchange in the name of the fiduciary's principal and the fiduciary has authority to draw the check or other bill of exchange in the name of the principal, the person to which the check or other bill of exchange is paid:

(a) is not bound to inquire as to whether the fiduciary is committing a breach of the fiduciary's obligation in drawing the check or other bill of exchange; and

(b) is not required to provide notice that the fiduciary is committing a breach of the fiduciary's obligation, unless the person:

(i) takes the check or other bill of exchange with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation; or

(ii) knows that taking the check or other bill of exchange amounts to bad faith.

(2) Notwithstanding Subsection (1), a person is liable to a principal if:

(a) the fiduciary writes and delivers the check or other bill of exchange to the person;

(b) the person knows that the fiduciary is drawing and delivering the check or other bill of exchange for:

(i) payment of, or as a security for, a personal debt of the fiduciary; or

(ii) the personal benefit of the fiduciary; and

(c) the fiduciary commits a breach of the fiduciary's obligation in drawing or delivering the check or other bill of exchange to the person.

Renumbered and Amended by Chapter 364, 2024 General Session

**75A-1-206 Checks drawn by or payable to a fiduciary.**

If a fiduciary draws a check or other bill of exchange in the name of the fiduciary's principal and the fiduciary has authority to draw the check or other bill of exchange that is payable to the fiduciary or a person that transfers the payment to the fiduciary, the person to which the check or other bill of exchange is paid:

(1) is not bound to inquire as to whether the fiduciary is committing a breach of the fiduciary's obligation in transferring the check or other bill of exchange to the fiduciary; and

(2) is not required to provide notice that the fiduciary is committing a breach of the fiduciary's obligation, unless the person:

(a) takes the check or other bill of exchange with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation; or

(b) knows that taking the check or other bill of exchange amounts to bad faith.

Renumbered and Amended by Chapter 364, 2024 General Session

**75A-1-207 Bank deposits in the name of a fiduciary.**

(1) If a fiduciary deposits a check in a bank in the name of the fiduciary's principal and to the credit of the fiduciary and the bank is authorized to pay the amount of the deposit or any part of the deposit, the bank is not liable to the principal unless:

- (a) the bank pays the check with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation in drawing the check; or
- (b) the bank knows that paying the check amounts to bad faith.

(2) Notwithstanding Subsection (1), a bank is liable to a principal if:

- (a) the fiduciary deposits a check in the name of the principal as payment to the bank for payment of, or as security for, a personal debt of the fiduciary; and
- (b) the fiduciary commits a breach of the fiduciary's obligation in drawing or delivering the check to the bank.

Renumbered and Amended by Chapter 364, 2024 General Session

#### **75A-1-208 Checks drawn in name of a principal.**

(1) If a fiduciary draws a check upon the account of the fiduciary's principal in a bank that is authorized to draw checks upon the principal's account and the bank is authorized to pay the check, the bank is not liable to the principal unless:

- (a) the bank pays the check with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation in drawing the check; or
- (b) the bank knows that paying the check amounts to bad faith.

(2) Notwithstanding Subsection (1), the bank is liable to a principal if:

- (a) the principal's fiduciary deposits a check in the name of the principal as payment to the bank for payment of, or as security for, a personal debt of the fiduciary; and
- (b) the fiduciary commits a breach of the fiduciary's obligation in drawing or delivering the check to the bank.

Renumbered and Amended by Chapter 364, 2024 General Session

#### **75A-1-209 Deposits in a fiduciary's personal account.**

If a principal authorizes a fiduciary to write or endorse a check for the principal, and the fiduciary writes a check payable to the fiduciary and deposits the check in a bank into the fiduciary's personal account:

- (1) the bank is not bound to inquire whether a fiduciary is committing a breach of the fiduciary's obligation to a principal; and
- (2) the bank is authorized to pay the amount of the deposit or any part of a personal check of the fiduciary without being liable to the principal unless:

- (a) the bank deposits the check for a fiduciary with actual knowledge that the fiduciary is committing a breach of the fiduciary's obligation in depositing the check; or
- (b) the bank knows that depositing the check for the fiduciary amounts to bad faith.

Renumbered and Amended by Chapter 364, 2024 General Session

#### **75A-1-210 Deposits in name of several trustees.**

When a deposit is made in a bank in the name of two or more persons as trustees and a check is drawn upon the trust account by a trustee authorized by another trustee to draw checks upon the trust account:

- (1) the payee or bank is not bound to inquire whether the deposit is a breach of trust to authorize a trustee to draw checks upon the trust account; and

(2) the payee or bank is not liable unless the circumstances are such that the action of the payee or bank amounts to bad faith.

Renumbered and Amended by Chapter 364, 2024 General Session