

Effective 7/1/2024

**Part 1
General Provisions**

Effective 7/1/2024

78A-5a-101 Definitions.

- (1) "Action" means a lawsuit or case commenced in a court.
- (2)
 - (a) "Asset" means property of all kinds, real or personal and tangible or intangible.
 - (b) "Asset" includes:
 - (i) cash, except for any reasonable compensation or salary for services rendered;
 - (ii) stock or other investments;
 - (iii) goodwill;
 - (iv) an ownership interest;
 - (v) a license;
 - (vi) a cause of action; and
 - (vii) any similar property.
- (3) "Beneficial shareholder" means the same as that term is defined in Section 16-10a-1301.
- (4) "Blockchain" means the same as that term is defined in Section 63A-16-108.
- (5) "Blockchain technology" means computer software or hardware or collections of computer software or hardware, or both, that utilize or enable a blockchain.
- (6) "Board" means the board of directors or trustees of a corporation.
- (7) "Business" means any enterprise carried on for the purpose of gain or economic profit.
- (8)
 - (a) "Business organization" means an organization in any form that is primarily engaged in business.
 - (b) "Business organization" includes:
 - (i) an association;
 - (ii) a corporation;
 - (iii) a joint stock company;
 - (iv) a joint venture;
 - (v) a limited liability company;
 - (vi) a mutual fund trust;
 - (vii) a partnership; or
 - (viii) any other similar form of an organization described in Subsections (8)(b)(i) through (vii).
 - (c) "Business organization" does not include a governmental entity as defined in Section 63G-7-102.
- (9) "Claim" means a written demand or assertion in an action.
- (10) "Commercial tenant" means the same as that term is defined in Section 78B-6-801.
- (11) "Consumer contract" means a contract entered into by a consumer for the purchase of goods or services for personal, family, or household purposes.
- (12) "Court" means the Business and Chancery Court established in Section 78A-5a-102.
- (13) "Decentralized autonomous organization" means the same as that term is defined in Section 48-5-101.
- (14) "Franchisee" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- (15) "Franchisor" means the same as that term is defined in 16 C.F.R. Sec. 436.1.
- (16) "Governmental entity" means the same as that term is defined in Section 63G-7-102.

- (17) "Health care" means the same as that term is defined in Section 78B-3-403.
- (18) "Health care provider" means the same as that term is defined in Section 78B-3-403.
- (19) "Monetary damages" does not include:
 - (a) punitive or exemplary damages;
 - (b) prejudgment or postjudgment interest; or
 - (c) attorney fees or costs.
- (20) "Officer" means an individual designated by a board, or other governing body of a business organization, to act on behalf of the business organization.
- (21) "Owner" means a person who, directly or indirectly, owns or controls an ownership interest in a business organization regardless of whether the person owns or controls the ownership interest through another person, a power of attorney, or another business organization.
- (22) "Ownership interest" means an interest owned in a business organization, including any shares, membership interest, partnership interest, or governance or transferable interest.
- (23) "Personal injury" means a physical or mental injury, including wrongful death.
- (24) "Professional" means an individual whose profession requires a license, registration, or certification on the basis of experience, education, testing, or training.
- (25)
 - (a) "Provisional remedy" means a temporary order by a court while an action is pending.
 - (b) "Provisional remedy" includes a preliminary injunction, a temporary restraining order, a prejudgment writ, or an appointment of a receiver.
- (26) "Security" means the same as that term is defined in Section 61-1-13.
- (27) "Shareholder" means the record shareholder or the beneficial shareholder.
- (28) "Record shareholder" means the same as that term is defined in Section 16-10a-1301.
- (29) "Trustee" means a person that holds or administers an ownership interest on behalf of a third party.

Amended by Chapter 158, 2024 General Session

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78A-5a-102 Establishment of the Business and Chancery Court -- Organization and status.

- (1) There is established the Business and Chancery Court for the state.
- (2) The Business and Chancery Court is a court of record.
- (3) The Business and Chancery Court is a trial court with limited and statewide jurisdiction over actions and claims as described in Section 78A-5a-103.
- (4) The Business and Chancery Court is of equal status with the district and juvenile courts of the state.
- (5) The Business and Chancery Court is established as a forum for the resolution of all matters properly brought before the Business and Chancery Court and consistent with applicable constitutional and statutory requirements of due process.
- (6) The Business and Chancery Court shall have a seal.
- (7) The judges and clerks of the Business and Chancery Court have the power to administer oaths and affirmations.

Enacted by Chapter 394, 2023 General Session

Effective 10/1/2024

78A-5a-103 Concurrent jurisdiction of the Business and Chancery Court -- Exceptions.

- (1) The Business and Chancery Court has jurisdiction, concurrent with the district court, over an action:
 - (a) seeking monetary damages of at least \$300,000 or seeking solely equitable relief; and
 - (b)
 - (i) with a claim arising from:
 - (A) a breach of a contract;
 - (B) a breach of a fiduciary duty;
 - (C) a dispute over the internal affairs or governance of a business organization;
 - (D) the sale, merger, or dissolution of a business organization;
 - (E) the sale of substantially all of the assets of a business organization;
 - (F) the receivership or liquidation of a business organization;
 - (G) a dispute over liability or indemnity between or among owners of the same business organization;
 - (H) a dispute over liability or indemnity of an officer or owner of a business organization;
 - (I) a tortious or unlawful act committed against a business organization, including an act of unfair competition, tortious interference, or misrepresentation or fraud;
 - (J) a dispute between a business organization and an insurer regarding a commercial insurance policy;
 - (K) a contract or transaction governed by Title 70A, Uniform Commercial Code;
 - (L) the misappropriation of trade secrets under Title 13, Chapter 24, Uniform Trade Secrets Act;
 - (M) the misappropriation of intellectual property;
 - (N) a noncompete agreement, a nonsolicitation agreement, or a nondisclosure or confidentiality agreement, regardless of whether the agreement is oral or written;
 - (O) a relationship between a franchisor and a franchisee;
 - (P) the purchase or sale of a security or an allegation of security fraud;
 - (Q) a dispute over a blockchain, blockchain technology, or a decentralized autonomous organization;
 - (R) a violation of Title 76, Chapter 10, Part 31, Utah Antitrust Act; or
 - (S) a contract with a forum selection clause for a chancery, business, or commercial court of this state or any other state;
 - (ii) with a malpractice claim concerning services that a professional provided to a business organization;
 - (iii) that is a shareholder derivative action; or
 - (iv) seeking a declaratory judgment as described in Title 78B, Chapter 6, Part 4, Declaratory Judgments.
- (2) Except as provided in Subsection (3), the Business and Chancery Court may exercise supplemental jurisdiction over any claim in an action that is within the jurisdiction of the Business and Chancery Court under Subsection (1) if the claim arises from the same set of facts or circumstances as the action.
- (3) The Business and Chancery Court may not exercise supplemental jurisdiction over:
 - (a) any claim arising from:
 - (i) a consumer contract;
 - (ii) a personal injury, including a personal injury relating to or arising out of health care rendered or which should have been rendered by the health care provider;
 - (iii) a violation of Title 13, Chapter 7, Civil Rights;
 - (iv) Title 20A, Election Code;
 - (v) Title 63G, Chapter 4, Administrative Procedures Act;

- (vi) Title 78B, Chapter 6, Part 1, Utah Adoption Act;
 - (vii) Title 78B, Chapter 6, Part 5, Eminent Domain;
 - (viii) Title 78B, Chapter 6, Part 8, Forcible Entry and Detainer, unless the claim is brought against a commercial tenant;
 - (ix) Title 78B, Chapter 7, Protective Orders and Stalking Injunctions;
 - (x) Title 78B, Chapter 13, Utah Uniform Child Custody Jurisdiction and Enforcement Act;
 - (xi) Title 78B, Chapter 14, Utah Uniform Interstate Family Support Act;
 - (xii) Title 78B, Chapter 15, Utah Uniform Parentage Act;
 - (xiii) Title 78B, Chapter 16, Utah Uniform Child Abduction Prevention Act;
 - (xiv) Title 78B, Chapter 20, Uniform Deployed Parents Custody, Parent-time, and Visitation Act;
 - (xv) Title 81, Utah Domestic Relations Code; or
- (b) any action in which a governmental entity is a party; or
 - (c) any criminal matter, unless the criminal matter is an act or omission of contempt that occurs in an action before the Business and Chancery Court.
- (4) Notwithstanding Subsection (3), the Business and Chancery Court may exercise supplemental jurisdiction over a claim that is barred under Subsection (3):
- (a) if the claim is a compulsory counterclaim;
 - (b) if there would be a material risk of inconsistent outcomes if the claim were tried in a separate action; or
 - (c) solely to resolve a request for a provisional remedy related to the claim before the Business and Chancery Court transfers the claim as described in Subsection (5).
- (5) If an action contains a claim for which the Business and Chancery Court may not exercise supplemental jurisdiction under this section, the Business and Chancery Court shall bifurcate the action and transfer any claim for which the Business and Chancery Court does not have jurisdiction to a court with jurisdiction under Title 78A, Judiciary and Judicial Administration.
- (6) Before the Business and Chancery Court transfers a claim as described in Subsection (5), the Business and Chancery Court may resolve:
- (a) all claims for which the Business and Chancery Court has jurisdiction; and
 - (b) any request for a provisional remedy related to a claim that is being transferred.

Amended by Chapter 158, 2024 General Session

Amended by Chapter 366, 2024 General Session

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78A-5a-104 Trier of fact and law -- Demand for jury trial.

- (1) The Business and Chancery Court is the trier of fact and law in an action before the Business and Chancery Court.
- (2) Notwithstanding Section 78A-5a-103, the Business and Chancery Court shall transfer an action, or any claim in an action, to the district court if:
 - (a) a party to the action demands a trial by jury in accordance with the Utah Rules of Business and Chancery Procedure; and
 - (b) the Business and Chancery Court finds the party that made the demand has the right to a trial by jury on a claim in the action.
- (3) Before the Business and Chancery Court transfers an action or a claim under Subsection (2), the Business and Chancery Court may:
 - (a) bifurcate the action and resolve all claims in which the party does not have a right to a trial by jury; and

- (b) administrate and adjudicate the action or claim being transferred prior to a trial by jury, including any pleading, provisional remedy, discovery, or motion.

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78A-5a-105 Venue for the Business and Chancery Court.

- (1) Title 78B, Chapter 3a, Venue for Civil Actions, does not apply to an action brought in the Business and Chancery Court.
- (2) Any requirement in the Utah Code to file or bring an action in a specific district or county does not apply to an action brought in the Business and Chancery Court.

Enacted by Chapter 394, 2023 General Session