

CONFESSION OF JUDGMENT AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill modifies the Agreements to Confess Judgments Act.

Highlighted Provisions:

This bill:

- ▶ allows parties to enter into a confession of judgment before a default except in employment contracts and certain consumer credit contracts; and
- ▶ provides that the default event for a confession of judgment is the default giving rise to the underlying action.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

78B-23-102, as enacted by Laws of Utah 2019, Chapter 132

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **78B-23-102** is amended to read:

78B-23-102. Certain agreements to confess judgment void.

(1) Except as provided in Subsection (2), parties may execute an agreement or stipulation to confess judgment before a default giving rise to an action.

[Am] (2) (a) In an employment contract or a consumer credit contract, an agreement or

30 stipulation to confess judgment is void if the agreement or stipulation is executed:

31 ~~[(1)]~~ (i) on or after May 14, 2019; and

32 ~~[(2)]~~ (ii) before a default giving rise to an action in which the judgment under the
33 agreement or stipulation is to be confessed.

34 (b) To satisfy the requirements of Subsection (2)(a)(ii), the parties need only execute
35 the agreement or stipulation after the default giving rise to the underlying action and not after
36 any subsequent default on the agreement or stipulation.