

**Representative R. Neil Walter** proposes the following substitute bill:

**FRAUDULENT DEED AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Curtis S. Bramble**

House Sponsor: R. Neil Walter

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to real property.

**Highlighted Provisions:**

This bill:

- ▶ creates civil liability for an individual who records a fraudulent deed;
- ▶ establishes a process by which an individual may nullify a fraudulent deed;
- ▶ directs how a court should treat a petition to nullify a fraudulent deed;
- ▶ limits a court's review of a fraudulent deed to determining whether the deed is a fraudulent deed;
- ▶ mandates court-ordered consequences for recording a fraudulent deed;
- ▶ prohibits a court from expediting any proceeding related to damages resulting from a fraudulent deed; and
- ▶ defines terms.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



26 ENACTS:

27 **57-31-101**, Utah Code Annotated 1953

28 **57-31-201**, Utah Code Annotated 1953

29 **57-31-202**, Utah Code Annotated 1953

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

32 Section 1. Section **57-31-101** is enacted to read:

33 **CHAPTER 31. FRAUDULENT DEEDS ACT**

34 **Part 1. Definitions**

35 **57-31-101. Definitions.**

36 As used in this chapter:

37 (1) "Deed" means an instrument in writing, including any conveyance that affects,  
38 purports to affect, describes, or otherwise concerns any right, title, or interest in real property.

39 (2) "Fraudulent deed" means a deed that is not executed or authorized to be executed  
40 by the record interest holder.

41 (3) "Interest holder" means a person who holds or possesses a present, lawful property  
42 interest in real property.

43 (4) "Purported grantee" means a person who is identified as the grantee on a fraudulent  
44 deed.

45 (5) "Purported grantor" means a person who executes or causes to be executed a  
46 fraudulent deed.

47 (6) "Record interest holder" means a person:

48 (a) who holds or possesses a present, lawful property interest in real property; and

49 (b) whose name and interest in the real property appears in the county recorder's  
50 records for the county in which the property is located.

51 Section 2. Section **57-31-201** is enacted to read:

52 **Part 2. Remedies**

53 **57-31-201. Civil liability for recording a fraudulent deed -- Damages.**

54 (1) A purported grantor who records a fraudulent deed or causes a fraudulent deed to  
55 be recorded in the office of a county recorder is liable to a record interest holder as described in

56 Subsection (2).

57           (2) If a court determines that a deed is a fraudulent deed under Section 57-31-202, the  
58 purported grantor is liable to the record interest holder for:

59           (a) the greater of:

60           (i) \$10,000; or

61           (ii) treble actual damages; and

62           (b) reasonable attorney fees and costs.

63           Section 3. Section 57-31-202 is enacted to read:

64           **57-31-202. Petition to nullify fraudulent deed -- Notice to purported grantor and**  
65 **purported grantee -- Summary relief.**

66           (1) A record interest holder may petition a court to nullify a fraudulent deed and record  
67 a lis pendens on a property affected by the fraudulent deed.

68           (2) A petition described in Subsection (1) shall:

69           (a) state with specificity that the deed is a fraudulent deed; and

70           (b) be supported by a sworn affidavit of the record interest holder.

71           (3) (a) A court considering a petition described in Subsection (1) may dismiss the  
72 petition without a hearing, if the court finds the petition insufficient.

73           (b) If the court dismisses a petition as described in Subsection (3)(a), the court shall  
74 include the reason for dismissing the petition in the order of dismissal.

75           (c) If the court finds the petition sufficient, the court shall schedule a hearing within 10  
76 days after the day on which the petition is filed for the purpose of determining whether the deed  
77 is a fraudulent deed.

78           (d) The record interest holder shall serve a copy of the petition and a copy of the notice  
79 of the hearing on the purported grantee and, if known to the record interest holder, the  
80 purported grantor.

81           (e) The purported grantor and purported grantee may attend the hearing described in  
82 Subsection (3)(c) to contest the petition.

83           (4) A proceeding under this section:

84           (a) may only determine whether a document is a fraudulent deed; and

85           (b) may not determine any other property or legal rights of the parties or restrict other  
86 legal remedies of any party.

87           (5) (a) If, after the hearing described in Subsection (3), a court determines that a deed is

88 a fraudulent deed:

89 (i) the court shall:

90 (A) issue an order declaring the fraudulent deed void ab initio and the fraudulent deed  
91 provides no conveyance of any interest in real property;

92 (B) in the order described in Subsection (5)(a)(i)(A), include a legal description of the  
93 property and a reference to the recording of the fraudulent deed; and

94 (C) direct the county recorder to remove the deed from county records; and

95 (ii) the record interest holder shall submit a certified copy of the order, containing a  
96 legal description of the real property, to the county recorder for recording.

97 (b) If, after the hearing described in Subsection (3), a court determines that the deed is  
98 not a fraudulent deed:

99 (i) the court:

100 (A) shall dismiss the petition;

101 (B) may award costs and reasonable attorney fees to the purported grantor and  
102 purported grantee; and

103 (C) shall include in the dismissal order a legal description of the property; and

104 (ii) the purported grantor or purported grantee shall record a certified copy of the  
105 dismissal order.

106 (6) If a petition under this section contains a claim for damages, a court may not  
107 expedite the proceedings related to the claim for damages.

108 Section 4. **Effective date.**

109 This bill takes effect on May 1, 2024.