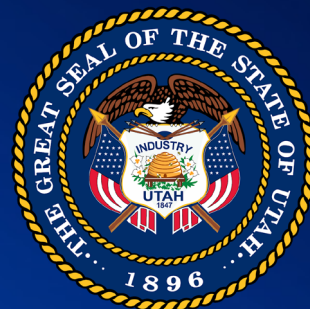


# Utah Department of Commerce



## 2020 Annual Report

**Administration**

**Consumer Protection**

**Corporations & Commercial Code**

**Occupational & Professional Licensing**

**Office of Consumer Services**

**Office of the Property Rights Ombudsman**

**Public Utilities**

**Real Estate**

**Securities**

## Our Mission

To protect the public interest by ensuring fair commercial and professional practices.

## Our Vision

The Department of Commerce contributes to the success of Utah businesses, professionals and consumers by creating a favorable economic environment.

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## Message from Chris Parker, Executive Director

Governor Herbert, Legislators, and Taxpayers,

During a year filled with exceptional new challenges, the Utah Department of Commerce continued providing exceptional service to Utahns. Along with the citizens, professionals, and businesses we serve, our employees adapted to the challenging circumstances of the COVID-19 pandemic, and displayed our resilience during a unique era in Utah's history. The department continued providing high-quality, timely service to the public throughout fiscal year 2020, even with a hurry to remote work for most of the department's employees because of the pandemic. In fact, in some areas productivity gains decreased wait times or absorbed growth without additional resources.

One notable change in the department was the retirement of Francine Giani, who served as the Executive Director of the Department of Commerce for 14 years, and as an employee of the State of Utah for more than 35 years. Through her leadership and tireless devotion to public service, the Department established high standards. Her principles were uncompromised.

This year's annual report presents a more visual style, with updated statistics to make it a ready reference for those looking for a quick overview of department activity, as well as the usual narrative for more in depth information. Here are some highlights.

### Department Highlights

#### Administration

Accelerated the movement of staff to work from home, a plan in development when the pandemic began.

#### Office of Property Rights Ombudsman

Issued 14 Advisory Opinions and conducted 22 land use training sessions, helping governmental and private entities navigate land use matters.

#### Office of Consumer Services

Provided key evidence in a rate increase request resulting in a smaller increase, benefiting residential and small commercial customers.

#### Division of Consumer Protection

Recovered \$3,809,627 in benefits for consumers. Conducted investigations of price gouging complaints in connection with the pandemic, the first use of the state's price gouging law.

#### Division of Corporations and Commercial Code

Increased efficiency by completing filings for corporations in 1 business day.

#### Division of Occupational and Professional Licensing

Enhanced Utah's Controlled Substance Database by integrating new data and adding 25 healthcare systems.

#### Division of Public Utilities

Prevented regional allocation proposals that would have saddled Utah ratepayers with the cost of other states' policies and made recommendations for reductions to utility requests that saved ratepayers millions.

#### Division of Real Estate

36,997 Real Estate Professionals Licensed, Issued 270 sanctions.

#### Division of Securities

Filed 20 criminal cases, assessed \$2.39 Million in fines, and presented 3 dozen investor education seminars.

For 2021, the employees at the Utah Department of Commerce will continue to improve and innovate to meet the challenges of serving the best, most diverse economy in the nation. Utah is well-served by our team of professionals, and will continue to be for years to come.

Respectfully,

Chris Parker, Executive Director







# Utah Department of Commerce Administration

## Mission Statement

Administration's mission is to provide administrative support (financial, human resources, information technology, public relations, and adjudicative) to the Divisions within the Department of Commerce.



**Chris Parker**  
Department of Commerce  
Executive Director

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## The Pandemic and Working From Home

Long preceding the onset of the COVID-19 pandemic, the Department of Commerce had planned for a significant portion of the more than 260 staff to telecommute. The effort aligned the Department with the Governor's goal of reducing energy emissions and improving air quality in the state. Technology Services had slated the Department of Commerce to begin that transition late in 2020.

The coronavirus accelerated those plans substantially, putting enormous pressure on both Technology Services and the Commerce Administration to accomplish the "work from home" initiative in a matter of weeks, not months, and to enable all employees to work from home, instead of a fraction.

Commerce employees were flexible with the ever changing demands on them to keep the flow of commercial activity and services safely running in the State, while trying to adapt to the challenges that come from changing their work

environment to their homes. The COVID-19 pandemic hit quickly which means the Department went from business as usual one day, to our employees fashioning a work space at home the next day, to learning the rules of VPN and remote access to the licensing systems which put few wrinkles into an already challenging situation. We are proud to say our employees took these challenges in stride and despite the obstacles some faced with working from home while juggling school age children and or younger children who normally were watched by local childcare facilities which no longer were available. Many faced trying times made more difficult, yet despite it all Commerce employee productivity did not fall, and in fact increased which is a testament to their dedication to public service.

None of this transition would have been possible without the quick work of the Department of Technology Services, which deserves special recognition for their work at Commerce.





## New Programs

### Utah Professionals Health Program

Sponsored by Rep. Brad Daw and Senator Keith Grover, the Governor signed H.B. 285, “Utah Professionals Health Program”. The program provides an alternative to disciplinary action for healthcare licensees who have substance use disorders, and includes protections for the public if licensees violate the terms of their program enrollment. The legislature provided that the Division of Occupational and Professional Licensing would fund program operations through fines and fees.

## Administrative Actions

A business registrant or licensee, having been adversely impacted by a Department of Commerce Division action, may request agency review by the Executive Director. Upon review, the decision may be upheld, reversed, modified, or remanded to the Division for further consideration.

| DIVISION  | Total | DCP | CORP | DOPL | DRE | SEC |
|-----------|-------|-----|------|------|-----|-----|
| Filed     | 42    | 2   | 1    | 37   | 2   | 0   |
| Closed    | 46    | 2   | 0    | 42   | 2   | 0   |
| Affirmed  | 10    | 2   | 0    | 10   | 0   | 0   |
| Remanded  | 10    | 1   | 0    | 10   | 0   | 0   |
| Dismissed | 20    | 1   | 0    | 20   | 2   | 0   |
| Reverse   | 1     | 0   | 0    | 1    | 0   | 0   |
| Modified  | 1     | 0   | 0    | 1    | 0   | 0   |

## Public Outreach

The pandemic upended many of the traditional outreach efforts of the Department, which usually involve numerous in-person events, like seminars, educational presentations, and our annual “Declutter Day” to dispose of electronic waste, shred old documents, and safely dispose of prescription drugs.

## Online Efforts

“Meeting our customers where they are” is a common theme for many agencies when serving the public. With that in mind, during the pandemic, many outreach efforts moved online.

- Division of Real Estate conducted monthly “Facebook -Live” events to educate real estate professionals.
- The Department took a more active stance on social media, aiming to educate the public with more informational posts on outlets like Twitter and Instagram.



commerce.utah.gov  
@UtahCommerce

The Utah Division of Securities and the Investment Industry collaborated to halt a fraudulent transaction targeting a vulnerable adult. The effort saved the investor \$50,000.



commerce.utah.gov  
@UtahCommerce

The Utah Division of Consumer Protection, joining a coalition of 34 states, announced a settlement with Santander Consumer USA Inc., the largest subprime auto financing company in the United States. It includes more than \$2 Million in relief for impacted Utah consumers.



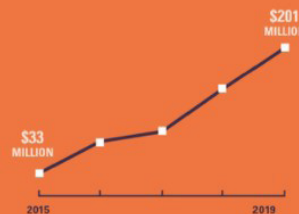
commerce.utah.gov  
@UtahCommerce

With Valentine’s Day tomorrow, remember to lookout for Romance Scams, which cost Americans more than any other reported type of fraud in the last 2 years. “Never send money or gifts to a love interest you haven’t actually met. It’s a romance scam.”@FTC

### COSTLIEST SCAM

REPORTED  
TO THE FTC  
IN 2019

**\$201**  
million lost



REPORTED  
MONEY LOSSES  
INCREASED 6X  
SINCE 2015



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Two of these actions resulted from investigations by our Division of Securities. The cooperative work with the **US Attorney’s** Office was excellent. Especially during **#NCPW**, remember to look out for elderly neighbors, family, and friends, the frequent target of these schemes.

**US Attorney Utah** @DUTnews

Four Utah cases (20 defendants total) included in the 2020 Elder Fraud Sweep. @USAttyHuber “Those who target and take advantage of elderly and vulnerable victims should know that we will hold them accountable.” #KeepingSeniorsSafe



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“Sadly, devious scammers prey on fear. Pandemic fears are no exception,” said Chris Parker, Executive Director of the Department of Commerce. “Current COVID-19 fears may lead people in need of assistance to stumble into scams instead of support.”





# Division of Consumer Protection

## Mission Statement

The Division of Consumer Protection's mission is to respond to consumer complaints, protect consumers from unfair and deceptive practices, encourage businesses to develop fair practices, and provide education to consumers and businesses.



**Daniel O'Bannon**  
Consumer Protection  
Director

## About the Division

The Division has a staff of over twenty employees who accomplish the Division's mission through a three-pronged approach: education, registration, and enforcement.

### Education

The Division works with government agencies, consumer groups, and others to ensure consumer awareness of deceptive practices and to provide educational materials to the public. The Division also educates businesses on the requirements of state law.

In Fiscal Year 2020, the Division provided 24 presentations to a variety of audiences, including AARP, veterans, and industry groups. While the Division's outreach efforts have been impacted by the COVID-19 pandemic, the Division has given several media interviews to educate the public about pandemic-related consumer protection issues. The Division also

rolled out a new website to educate consumers on scams related to coronavirus. The website is <https://fraudsquad.utah.gov/coronavirus.html>.

### Registration

The Division registers or receives filings from the following entities:

- » Charitable Organizations
- » Credit Service Organizations
- » Debt-Management Service Providers
- » Health Spas
- » Immigration Consultants
- » Maintenance Funding Providers
- » Pawnshops and Secondhand Merchants
- » Postsecondary Proprietary Schools
- » Professional Fund Raisers
- » Residential, Vocational, and Life Skills Programs
- » Sellers of business opportunities
- » Telemarketers
- » Transportation Network Companies



## Enforcement

The Division administers the following statutes:

- » Business Opportunity Disclosure Act
- » Charitable Solicitations Act
- » Consumer Sales Practices Act
- » Credit Services Organizations Act
- » Health Spa Services Protection Act
- » Immigration Consultants Registration Act
- » Maintenance Funding Practices Act (Effective May 2020)
- » Music Licensing Practices Act
- » New Motor Vehicle Warranties Act
- » Pawnshop and Secondhand Merchandise Transaction Information Act
- » Postsecondary Proprietary School Act
- » Postsecondary School State Authorization Act
- » Price Controls During Emergencies Act
- » Prize Notices Regulation Act
- » Residential Solar Energy Disclosure Act
- » Residential, Vocational, and Life Skills Program Act
- » Telephone and Facsimile Solicitation Act
- » Telephone Fraud Prevention Act
- » Ticket Website Sales Act
- » Ticket Transferability Act
- » Transportation Network Company Registration Act
- » Unfair Practices Act
- » Uniform Debt-Management Services Act

## Fiscal Year 2020 Highlights

### Benefits recovered for consumers

The Division recovered over \$3,809,627 in restitution and benefits for consumers during FY2020

### Multistate Cases

The Division participated in a number of multistate investigations, including multistate settlements with Johnson & Johnson, Santander, and Endo. Some multistate cases involve restitution or relief for consumers, including the Santander settlement.

### Amendments to laws enforced

In the 2020 General Legislative Session, the Legislature passed H.B. 312, Maintenance Funding Practices Act. The Division is responsible for enforcing the Act, which took effect May 2020. The Legislature also amended statutes enforced by the Division in H.B. 113, Consumer Sales Practices Amendments, H.B. 165, Telephone and Facsimile Solicitation Act Amendments, and S.B. 142, Delivery Driver Age Requirements.





## Top Ten Consumer Complaints

During FY 2020 and examples of complaints the Division might receive in each category are as follows:

- |          |  |           |  |
|----------|--|-----------|--|
| <b>1</b> | <b>Price Controls During a Declared State of Emergency</b> | <b>6</b>  | <b>Charitable Solicitations</b>              |
| <b>2</b> | <b>Business Opportunities: Real Estate</b>                 | <b>7</b>  | <b>Auto: Parts / Repairs</b>                 |
| <b>3</b> | <b>Home: Repair (other than warranty)</b>                  | <b>8</b>  | <b>Repairs or Services (not Auto / Home)</b> |
| <b>4</b> | <b>Travel / Vacations</b>                                  | <b>9</b>  | <b>Auto: Sales - Used</b>                    |
| <b>5</b> | <b>Home: Protection Devices / Alarms / Cameras</b>         | <b>10</b> | <b>Home Remodel</b>                          |



## Statistics

### Complaints

|                                       | Fiscal Year | 2018  | 2019  | 2020  |
|---------------------------------------|-------------|-------|-------|-------|
| Complaints Received.....              |             | 1,553 | 1,508 | 2,049 |
| Complaints Opened.....                |             | 1,372 | 1,237 | 1,831 |
| Complaints Closed.....                |             | 1,359 | 1,250 | 1,571 |
| Complaints Referred/Not Assigned..... |             | 181   | 271   | 218   |

### Active Registrations

|  |       |       |       |
|--|-------|-------|-------|
| Business Opportunities.....  | 4     | 6     | 7     |
| Business Opportunity Franchise Exemptions.....                     | 1,320 | 1,419 | 1,417 |
| Charitable Organizations.....                                      | 5,545 | 5,394 | 5,957 |
| Charitable Organizations Exemptions.....                           | 1,651 | 1,721 | 1,766 |
| Credit Service Organizations.....                                  | 28    | 23    | 23    |
| Debt Management Service Providers.....                             | 35    | 33    | 35    |
| Health Spas.....   | 217   | 219   | 191   |
| Immigration Consultants.....                                       | 38    | 33    | 37    |
| Residential Vocational and Life Skills Program.....                | 1     | 2     | 2     |
| Maintenance Funding Providers.....                                 | -     | -     | 16    |
| Utah Music License.....  | 1     | 2     | 2     |
| Pawn Shop Registration.....  | 121   | 117   | 115   |
| Secondhand Merchandise Dealers.....                                | 202   | 207   | 201   |
| Postsecondary Proprietary Schools.....                             | 87    | 91    | 86    |
| Postsecondary Proprietary Schools Exemptions.....                  | 1,262 | 1,309 | 1,343 |
| Professional Fund Raisers.....                                     | 99    | 95    | 89    |
| Professional Fund Raising Counsel or Consultant.....               | 174   | 161   | 152   |
| State Authorization – Postsecondary Accredited Schools.....        | 48    | 41    | 40    |
| State Authorization – Postsecondary Private Nonprofit Schools..... | 105   | 109   | 113   |
| State Authorization – Postsecondary Public Nonprofit Schools.....  | 64    | 64    | 65    |
| Telemarketers.....   | 82    | 79    | 76    |
| Telemarketers Exemptions.....                                      | 136   | 138   | 138   |
| Transportation Network Companies.....                              | 2     | 2     | 3     |

### Total Consumer Benefits Recovered & Fines Collected

|  |              |            |             |
|--|--------------|------------|-------------|
| Total Consumer Benefits Recovered..... | \$1,310,052* | \$783,188* | \$3,809,627 |
| Total Consumer Fines Collected.....    | \$208,640    | \$120,843  | \$81,295    |

\* Data revised from previous reports.





# Division of Corporations & Commercial Code

## Mission Statement

The Division of Corporations and Commercial Code serves business enterprises by providing registration and informational assistance.

Additionally, the Division serves the public by facilitating access to all of its records and data. The Division functions as Utah's filing office and repository for all corporations, commercial code filings, business registrations, limited partnerships, limited liability companies, limited liability partnerships, collection agencies, and trademarks.



**Jason Sterzer**  
Corporations &  
Commercial Code  
Director

## About the Division

The Division of Corporations and Commercial Code in the Utah Department of Commerce registers all statutory business entities, state trademarks, collection agencies, and article 9 (UCC) and agricultural (CFS) lien notice filings. Those businesses which should register with the Division are: profit and non-profit corporations,

limited liability companies, limited partnerships, limited liability partnerships, unincorporated cooperative associations, general partnerships & sole proprietors who have an assumed name, business trusts, real estate investment trusts, tribal businesses, and any other assumed business name. Out-of-state motorist service of process is also filed with the division. Certain bankruptcy filings are sent to the Division for notice only.



## The Division of Corporations and Commercial Code continues to look for innovative ways to give business filers access to services 24 hours a day, 7 days a week.

### Smaller Filings

- » **The Governmental Entity Database** — an online directory of contacts for any governmental entity;
- » **OneStop Business Registration Web Site** — a partnership with multiple agencies from local, state and federal level;
- » **Verify Utah** — an online voluntary registry of businesses that have complied with the federal e-Verify program;
- » **Archival Business Research** — searching old stock certificates to find disposition of business entity; and
- » **Individual Name Searches** — those people involved as principals in businesses.

The Division staffs an information and help/phone center that answers an average of 7,000 phone calls per month. The help staff also provides an online information chat for those using online services. The agency has two customer service counters for walk-in assistance.

### Help Center

The Help Center answered 75,456 calls in 2020. The five-member Help Center fields questions ranging from “How do I start up a new business?” to “How do I reinstate an old business?”. With courtesy and understanding, the members of the Help Center educate citizens of Utah on business filings over the phone and in live online chats.

### Service Center

The Division has two service centers; one in the first floor lobby and one on the second floor with public access computers, which have streamlined the process of filing documents so customers face a minimal wait time. As a result, the Division of Corporations and Commercial Code usually keeps within the 24 to 48-hour turnaround time on all incoming documents.

Customer service is not something we can achieve with systems and processes alone. The Division’s goal is to empower our employees, particularly those on the front line, to make a difference as they are the face of the Division. The Division of Corporations and Commercial Code continues to be committed to adopting new technology for online services that especially help all businesses meet regulatory obligations quickly and efficiently.





## Filings

| Fiscal Year                           | 2011         | 2012          | 2013          | 2014          | 2015          | 2016         | 2017          | 2018          | 2019         | 2020              |
|---------------------------------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|-------------------|
| <b>One Stop Business Registration</b> |              |               |               |               |               |              |               |               |              |                   |
| In-house Filings .....                | 26,964       | 23,449        | 29,561        | 30,962        | 30,649        | 32,771       | 24,068        | 25,687        | 24,315       | 22,340            |
| Online Filings .....                  | 21,994       | 28,861        | 27,878        | 27,421        | 30,446        | 32,824       | 44,319        | 49,056        | 49,652       | 51,860            |
| Total .....                           | 48,958       | 52,310        | 57,439        | 58,383        | 61,095        | 65,595       | 67,387        | 74,743        | 73,967       | 74,200            |
| Adoption Rate .....                   | 44.92%       | 55.17%        | 48.53%        | 46.97%        | 49.83%        | 50.04%       | 64.81%        | 65.63%        | 67.13%       | 69.89%            |
| Difference from Previous Year ...     | 1,665        | 6,867         | -983          | -457          | 3,025         | 2,738        | 11,495        | 4,737         | 596          | 2,208             |
| % Increase .....                      | <b>8.19%</b> | <b>31.22%</b> | <b>-3.41%</b> | <b>-1.64%</b> | <b>11.03%</b> | <b>7.81%</b> | <b>35.02%</b> | <b>10.69%</b> | <b>1.21%</b> | <b>4.45%</b>      |
| <b>All Online Services</b>            |              |               |               |               |               |              |               |               |              |                   |
| Total Online Filings .....            | 339,710      | 411,905       | 411,974       | 434,516       | 446,866       | 456,196      | 487,388       | 515,402       | 528,859      | 54,658,357        |
| Adoption Rate .....                   | 82.00%       | 84.00%        | 85.00%        | 87.00%        | 89.00%        | 90.00%       | 89.00%        | 90.00%        | 91.00%       | 92.00%            |
| Difference from Previous Year ...     |              | 72,195        | 69            | 22,542        | 11,350        | 10,330       | 31,192        | 28,014        | 13,457       | 54,129,498        |
| % Increase .....                      |              | <b>21.25%</b> | <b>0.02%</b>  | <b>5.47%</b>  | <b>2.61%</b>  | <b>2.32%</b> | <b>6.84%</b>  | <b>5.75%</b>  | <b>2.61%</b> | <b>10,235.15%</b> |
| <b>Certificates of Existence</b>      |              |               |               |               |               |              |               |               |              |                   |
| In-house Certificate .....            | 492          | 440           | 377           | 395           | 314           | 381          | 336           | 575           | 456          | 319               |
| Online Certificate .....              | 12,369       | 12,152        | 12,786        | 14,644        | 15,525        | 16,208       | 16,417        | 19,063        | 20,609       | 21,857            |
| Total .....                           | 12,861       | 23,6+3        | 13,163        | 15,039        | 15,839        | 16,589       | 16,753        | 19,638        | 21,065       | 22,176            |
| Adoption Rate .....                   | 96.17%       | 96.51%        | 97.14%        | 97.37%        | 98.02%        | 97.70%       | 97.99%        | 97.07%        | 97.84%       | 98.56%            |
| Difference from Previous Year ...     |              | -217          | 634           | 1,858         | 881           | 683          | 209           | 2,646         | 1,546        | 1,248             |
| % Increase .....                      |              | <b>-1.75%</b> | <b>5.22%</b>  | <b>14.53%</b> | <b>6.02%</b>  | <b>4.40%</b> | <b>1.29%</b>  | <b>16.12%</b> | <b>8.11%</b> | <b>6.06%</b>      |
| <b>Annual Business Renewal</b>        |              |               |               |               |               |              |               |               |              |                   |
| In-house Renewals .....               | 18,360       | 17,588        | 14,988        | 15,355        | 11,250        | 8,569        | 13,182        | 11,347        | 10,651       | 9,289             |
| Online Renewals .....                 | 175,246      | 183,899       | 188,947       | 206,262       | 222,686       | 235,109      | 247,295       | 260,967       | 277,892      | 298,443           |
| Total .....                           | 193,606      | 201,487       | 203,945       | 221,617       | 233,936       | 243,678      | 260,477       | 272,314       | 288,543      | 307,732           |
| Adoption Rate .....                   | 90.52%       | 91.27%        | 92.65%        | 93.07%        | 95.19%        | 96.48%       | 94.94%        | 95.83%        | 96.31%       | 96.98%            |
| Difference from Previous Year ...     |              | 8,653         | 5,048         | 17,315        | 16,424        | 12,423       | 12,186        | 13,672        | 16,925       | 20,551            |
| % Increase .....                      |              | <b>4.94%</b>  | <b>2.74%</b>  | <b>9.16%</b>  | <b>7.96%</b>  | <b>5.58%</b> | <b>5.18%</b>  | <b>5.53%</b>  | <b>6.49%</b> | <b>7.40%</b>      |



## Other Data Entry

| Fiscal Year | Reinstatements | Amendments | Mergers | Conversions | Renewals | Change Forms |
|-------------|----------------|------------|---------|-------------|----------|--------------|
| 2011        | 2,433          | 2,828      | 320     | 997         | 17,752   | 3,895        |
| 2012        | 2,191          | 2,971      | 299     | 1,006       | 17,041   | 3,462        |
| 2013        | 1,840          | 2,974      | 303     | 1,146       | 15,326   | 3,276        |
| 2014        | 1,904          | 2,777      | 300     | 1,101       | 15,199   | 3,607        |
| 2015        | 1,710          | 2,906      | 589     | 928         | 11,250   | 4,210        |
| 2016        | 1,632          | 3,334      | 329     | 1,397       | 8,569    | 3,981        |
| 2017        | 1,711          | 3,518      | 286     | 1,756       | 13,182   | 4,407        |
| 2018        | 1,633          | 3,320      | 343     | 1,700       | 12,286   | 3,670        |
| 2019        | 2,496          | 4,324      | 375     | 1,835       | 11,235   | 3,346        |
| 2020        | 2,117          |            |         |             | 9,289    |              |

## New Filings

| Fiscal Year | CORP  | % Increase | DBA    | % Increase | LLC    | % Increase | LP    | % Increase | Total  | % Increase |
|-------------|-------|------------|--------|------------|--------|------------|-------|------------|--------|------------|
| 2011        | 8,043 |            | 15,284 |            | 24,976 |            | 436   |            | 48,739 |            |
| 2012        | 8,102 | 1%         | 15,667 | 3%         | 27,693 | 11%        | 622   | 43%        | 52,084 | 7%         |
| 2013        | 7,590 | -6%        | 15,531 | -1%        | 33,033 | 19%        | 1,058 | 70%        | 57,212 | 10%        |
| 2014        | 7,427 | -2%        | 15,994 | 3%         | 34,303 | 4%         | 467   | -56%       | 58,191 | 2%         |
| 2015        | 7,702 | 4%         | 16,150 | 1%         | 36,726 | 7%         | 374   | -20%       | 60,952 | 5%         |
| 2016        | 8,003 | 3.91%      | 17,404 | 7.76%      | 39,744 | 8.22%      | 237   | -36.63%    | 65,388 | 7.28%      |
| 2017        | 7,746 | -3.21%     | 17,843 | 2.52%      | 42,361 | 6.58%      | 207   | -12.66%    | 68,157 | 4.23%      |
| 2018        | 8,065 | 4.12%      | 18,852 | 5.65%      | 47,366 | 11.82%     | 261   | 26.09%     | 74,544 | 9.37%      |
| 2019        | 7,944 | -1.50%     | 18,235 | -3.27%     | 47,287 | -0.17%     | 285   | 9.20%      | 73,751 | -1.06%     |
| 2020        | 7,875 | -0.87%     | 17,934 | -1.65%     | 47,928 | 1.36%      | 209   | -26.67%    | 73,946 | 0.26%      |





## Online Business Filings

Even before the Coronavirus forced many employees to work from home, and the closure of the Heber Wells Offices to the public, the Division focused heavily on developing online applications to more efficiently serve the public. Online filings have increased every year since 2015. In fact, the Division currently handles three times the volume of documents as in 2002, with a smaller staff, and with a faster turnaround. In the last 3 years, document wait times were reduced from 7-10 business days to overnight service, a remarkable efficiency achieved by Division staff.

In late 2019, the Division completed testing and roll-out of an enhanced online UCC/CFS filing system, further improving our suite of online services.

The Division's premier online application, the One Stop

Business Registration program, continues to improve with updates that enhance the user experience. This encouragement of online filings helps the Division manage growth in business without requiring growth of government. The following local partners offer business licensing services through OSBR; Salt Lake City, Salt Lake County, Sandy City, Provo, Logan, Murray, West Jordan, South Logan, and Springville.

## Looking to the Future

Understanding our customers experience with our filing services remains a strong priority. The Division tracks customer errors and the types of rejected filings to determine areas to improve. With this information, the Division has updated its website and online forms to provide more relevant information and reduce the amount of filing rejections. These adjustments have fostered a simpler and more smooth filing experience for customers.

## Uniform Commercial Codes

| Fiscal Year                         | 2011   | 2012          | 2013          | 2014         | 2015          | 2016          | 2017          | 2018          | 2019         | 2020          |
|-------------------------------------|--------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|
| <b>UCC-1</b>                        |        |               |               |              |               |               |               |               |              |               |
| In-house Filings .....              | 6,500  | 4,380         | 3,725         | 4,292        | 5,103         | 5,747         | 6,141         | 4,953         | 4,728        | 8,484         |
| Online Filings .....                | 8,867  | 12,372        | 14,148        | 14,565       | 13,995        | 17,135        | 19,624        | 18,410        | 18,851       | 22,579        |
| Total .....                         | 15,367 | 16,752        | 17,873        | 18,857       | 19,098        | 22,882        | 25,765        | 23,363        | 23,579       | 31,063        |
| Adoption Rate .....                 | 57.70% | 73.85%        | 79.16%        | 77.24%       | 73.28%        | 74.88%        | 76.17%        | 78.80%        | 79.95%       | 72.69%        |
| Difference from Previous Year ..... |        | 3,505         | 1,776         | 417          | -570          | 3,140         | 2,489         | -1,214        | 441          | 3,728         |
| <b>% Increase .....</b>             |        | <b>39.53%</b> | <b>14.35%</b> | <b>2.95%</b> | <b>-3.91%</b> | <b>22.44%</b> | <b>14.53%</b> | <b>-6.19%</b> | <b>2.40%</b> | <b>19.78%</b> |



## Uniform Commercial Codes (cont.)

| Fiscal Year                         | 2011   | 2012          | 2013           | 2014          | 2015          | 2016           | 2017          | 2018          | 2019          | 2020          |
|-------------------------------------|--------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| <b>UCC-2</b>                        |        |               |                |               |               |                |               |               |               |               |
| In-house Filings .....              | 143    | 112           | 110            | 116           | 78            | 45             | 43            | 58            | 158           | 110           |
| Online Filings .....                | 1,159  | 1,281         | 967            | 1,163         | 1,281         | 1,019          | 1,394         | 1,318         | 1,472         | 1,785         |
| Total .....                         | 1,302  | 1,393         | 1,077          | 1,279         | 1,359         | 1,064          | 1,437         | 1,376         | 1,630         | 1,895         |
| Adoption Rate .....                 | 89.02% | 91.96%        | 89.79%         | 90.93%        | 94.26%        | 95.77%         | 97.01%        | 95.78%        | 90.31%        | 94.20%        |
| Difference from Previous Year ..... |        | 122           | -314           | 196           | 118           | -262           | 375           | -76           | 154           | 313           |
| % Increase .....                    |        | <b>10.53%</b> | <b>-24.51%</b> | <b>20.27%</b> | <b>10.15%</b> | <b>-20.45%</b> | <b>36.80%</b> | <b>-5.45%</b> | <b>11.68%</b> | <b>21.26%</b> |

|                                     |        |               |               |               |               |               |               |               |              |                |
|-------------------------------------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| <b>UCC-3</b>                        |        |               |               |               |               |               |               |               |              |                |
| In-house Filings .....              | 7,253  | 1,999         | 1,665         | 1,650         | 2,159         | 2,996         | 3,503         | 2,099         | 2,321        | 3,994          |
| Online Filings .....                | 6,057  | 11,501        | 11,302        | 10,287        | 9,636         | 9,188         | 10,911        | 12,289        | 13,187       | 11,524         |
| Total .....                         | 13,310 | 13,500        | 12,967        | 11,937        | 11,795        | 12,184        | 14,414        | 14,388        | 15,508       | 15,518         |
| Adoption Rate .....                 | 45.51% | 85.19%        | 87.16%        | 86.18%        | 81.70%        | 75.41%        | 75.70%        | 85.41%        | 85.03%       | 74.26%         |
| Difference from Previous Year ..... |        | 5,444         | -199          | -1,015        | -651          | -448          | 1,723         | 1,378         | 898          | -1,663         |
| % Increase .....                    |        | <b>89.88%</b> | <b>-1.73%</b> | <b>-8.98%</b> | <b>-6.33%</b> | <b>-4.65%</b> | <b>18.75%</b> | <b>12.63%</b> | <b>7.31%</b> | <b>-12.61%</b> |

| Fiscal Year | UCC-1  | UCC-1<br>Addendum | UCC-2 | UCC-3  | UCC-3<br>Addendum | CFS-1 | CFS-3 |
|-------------|--------|-------------------|-------|--------|-------------------|-------|-------|
| 2011 .....  | 15,367 | 6,875             | 1,302 | 17,167 | 905               | 375   | 511   |
| 2012 .....  | 16,752 | 4,020             | 1,393 | 17,887 | 1,242             | 367   | 599   |
| 2013 .....  | 17,873 | 3,571             | 1,077 | 17,344 | 920               | 402   | 500   |
| 2014 .....  | 18,857 | 4,372             | 1,279 | 16,028 | 1,286             | 405   | 682   |
| 2015 .....  | 19,098 | 3,641             | 1,359 | 18,066 | 947               | 370   | 737   |
| 2016 .....  | 22,882 | 4,411             | 1,064 | 15,609 | 548               | 424   | 537   |
| 2017 .....  | 25,765 | 6,963             | 1,437 | 17,595 | 817               | 349   | 556   |
| 2018 .....  | 23,363 | 5,320             | 1,376 | 18,477 | 948               | 299   | 532   |
| 2019 .....  | 23,579 | 5,255             | 1,630 | 18,839 | 3,331             | 310   | 567   |
| 2020 .....  | 31,063 | 5,364             | 1,895 | 18,682 | 3,399             | 372   | 531   |





Division of  
Occupational &  
Professional Licensing



**Mark Steinagel**  
Occupational &  
Professional Licensing  
Director

**Mission Statement**

The mission of the Division of Occupational & Professional Licensing (DOPL) is to protect the public and to enhance commerce through licensing and regulation.

**Notable Achievements**

- » Used information more effectively to save lives with Utah’s Controlled Substance Database (CSD).
  - Established the state’s first CSD “Electronic Health Record” exchange and integration with the Utah Navajo Healthcare Systems (UNHS). Providers now view their patient’s CSD data within the patient’s electronic medical record.
  - Following the UNHS integration, integrated 25 more healthcare systems, with more than a thousand medical providers. Intermountain Healthcare and other systems are in the process of integration.

- » URAP Improved, Now UPHP
  - Improved upon the Utah Recovery Assistance Program with the help of the State Legislature. Now known as the Utah Professionals Health Program, UPHP will help practitioners with substance use disorders maintain their license so long as they safely practice while participating in a confidential monitoring program.

|                                      |               |
|--------------------------------------|---------------|
| 2020 Total Licenses.....             | 242,802       |
| 2020 New Applications Submitted..... | 43,816        |
| 2020 Renewals: Online .....          | 94,137        |
| Manual .....                         | 2,843         |
| <b>Total .....</b>                   | <b>97,160</b> |
| 2020 Percent Online .....            | 97.07%        |



## Licenses by Profession Fiscal Year 2020 (Including Temporary Licenses)

| Profession Name                   | License Name  | Count  |
|-----------------------------------|---|--------|
| <b>Accountancy</b>                | C.P.A. Firm .....                                       | 746    |
|                                   | Certified Public Accountant .....                       | 5,748  |
| <b>Acupuncture</b>                | Licensed Acupuncturist .....                            | 166    |
| <b>Architect</b>                  | Architect .....   | 2,612  |
| <b>Athlete Agents</b>             | Athlete Agent .....                                     | 65     |
| <b>Athletic Trainer</b>           | Athletic Trainer .....                                  | 699    |
| <b>Building Inspector</b>         | Combination Inspector .....                             | 315    |
|                                   | Limited Inspector .....                                 | 359    |
| <b>Burglar Alarm</b>              | Burglar Alarm Company .....                             | 223    |
|                                   | Burglar Alarm Company Agent .....                       | 11,406 |
|                                   | Temporary Burglar Alarm Company Agent .....             | 329    |
| <b>C.S. Precursor</b>             | Controlled Substance Precursor .....                    | 11     |
| <b>Chiropractic</b>               | Chiropractic Physician .....                            | 932    |
|                                   | Temporary Chiropractic Physician .....                  | 1      |
| <b>Clinical Mental Health</b>     | Assoc. Clinical Mental Health Counselor .....           | 395    |
|                                   | Associate Clinical Mental Health Counselor Extern ..... | 10     |
|                                   | Clinical Mental Health Counselor .....                  | 1,624  |
|                                   | Volunteer Clinical Mental Health Counselor .....        | 2      |
| <b>Commercial Interior Design</b> | Certified Commercial Interior Designer .....            | 66     |

| Profession Name       | License Name                              | Count  |
|-----------------------|---|--------|
| <b>Contractor</b>     | B100 - General Building Qualifier .....   | 1      |
|                       | Contractor With LRF .....                 | 23,411 |
|                       | E200 - General Electrical Qualifier ..... | 1      |
|                       | Handyman Exemption Registration .....     | 1,766  |
| <b>Cosmetology</b>    | Barber .....                              | 873    |
|                       | Barber Apprentice .....                   | 48     |
|                       | Barber Instructor .....                   | 57     |
|                       | Barber School .....                       | 14     |
|                       | Cosmetologist / Barber .....              | 30,812 |
|                       | Cosmetologist / Barber Apprentice .....   | 94     |
|                       | Cosmetologist / Barber Instructor .....   | 2,022  |
|                       | Cosmetology / Barber School .....         | 35     |
|                       | Electrologist .....                       | 152    |
|                       | Electrologist Instructor .....            | 14     |
|                       | Electrology School .....                  | 1      |
|                       | Esthetician .....                         | 1,520  |
|                       | Esthetician Apprentice .....              | 32     |
|                       | Esthetician Instructor .....              | 705    |
|                       | Esthetics School .....                    | 23     |
|                       | Hair Design School .....                  | 11     |
|                       | Hair Designer .....                       | 37     |
|                       | Hair Designer Apprentice .....            | 1      |
|                       | Master Esthetician .....                  | 5,985  |
|                       | Master Esthetician Apprentice .....       | 19     |
| <b>Court Reporter</b> | Nail Technician .....                     | 6,015  |
|                       | Nail Technician Apprentice .....          | 129    |
|                       | Nail Technician Instructor .....          | 248    |
|                       | Nail Technology School .....              | 12     |
| <b>Court Reporter</b> | State Certified Court Reporter .....      | 126    |



| Profession Name                       | License Name                                    | Count |
|---------------------------------------|---|-------|
| <b>Deception Detection</b>            | Deception Detection Exam Administrator.....     | 11    |
|                                       | Deception Detection Examiner .....              | 22    |
|                                       | Deception Detection Intern .....                | 1     |
| <b>Dental</b>                         | Dental Hygienist .....                          | 131   |
|                                       | Dental Hygienist with Local Anesthesia .....    | 3,184 |
|                                       | Dentist – Anesthesia Class I Permit.....        | 862   |
|                                       | Dentist – Anesthesia Class II Permit .....      | 1,430 |
|                                       | Dentist – Anesthesia Class III Permit .....     | 158   |
|                                       | Dentist – Anesthesia Class IV Permit .....      | 98    |
|                                       | Volunteer Dentist Anesthesia Class I .....      | 4     |
|                                       | Volunteer Dentist Anesthesia Class II.....      | 2     |
|                                       | Volunteer Dentist Controlled Substance .....    | 1     |
| <b>Dietitian</b>                      | Certified Dietitian .....                       | 1,074 |
| <b>Direct-Entry Midwife</b>           | Direct-Entry Midwife .....                      | 59    |
| <b>Electrician</b>                    | Apprentice Electrician.....                     | 7,756 |
|                                       | Journeyman Electrician .....                    | 4,397 |
|                                       | Master Electrician .....                        | 2,247 |
|                                       | Residential Journeyman Electrician .....        | 293   |
|                                       | Residential Master Electrician.....             | 200   |
| <b>Elevator Mechanic</b>              | Elevator Mechanic .....                         | 156   |
|                                       | Temporary Elevator Mechanic .....               | 3     |
| <b>Engineer/ Land Surveyor</b>        | Professional Engineer .....                     | 9,383 |
|                                       | Professional Land Surveyor.....                 | 722   |
|                                       | Professional Structural Engineer.....           | 2,157 |
| <b>Environmental Health Scientist</b> | Environmental Health Scientist .....            | 247   |
|                                       | Environmental Health Scientist - Training ..... | 13    |
| <b>Factory Built Housing</b>          | Factory Built Housing Dealer .....              | 75    |
| <b>Funeral Service</b>                | Funeral Service Director .....                  | 356   |
|                                       | Funeral Service Establishment.....              | 132   |
|                                       | Funeral Service Intern.....                     | 42    |
| <b>Genetic Counselor</b>              | Genetic Counselor .....                         | 345   |
|                                       | Temporary Genetic Counselor .....               | 8     |
| <b>Geologist</b>                      | Professional Geologist .....                    | 849   |
| <b>Health Facility Administrator</b>  | Health Facility Administrator .....             | 382   |
|                                       | Temporary Health Facility Administrator .....   | 1     |
| <b>Hearing Instrument</b>             | Hearing Instrument Intern.....                  | 26    |
|                                       | Hearing Instrument Specialist .....             | 126   |
| <b>Hunting Guides/ Outfitters</b>     | Hunting Guide .....                             | 465   |
|                                       | Outfitter .....                                 | 140   |
| <b>Landscape Architect</b>            | Landscape Architect .....                       | 378   |
| <b>Marriage &amp; Family Therapy</b>  | Associate MFT Extern .....                      | 2     |
|                                       | Associate Marriage & Family Therapist .....     | 221   |
|                                       | Marriage & Family Therapist .....               | 844   |
|                                       | Time Limited M&F Therapist .....                | 21    |
| <b>Massage</b>                        | Massage Apprentice .....                        | 56    |
|                                       | Massage Therapist .....                         | 7,116 |
| <b>Medical Language Interpreter</b>   | Certified Medical Language Interpreter .....    | 196   |

| Profession Name                    | License Name                                 | Count |
|------------------------------------|--|-------|
| <b>Medication Aide – Certified</b> | Medication Aide – Certified.....             | 35    |
| <b>Music Therapy</b>               | State Certified Music Therapist .....        | 67    |
| <b>Naturopathic</b>                | Naturopath including Surgery & OB .....      | 1     |
|                                    | Naturopathic Limited CS Testosterone .....   | 32    |
|                                    | Naturopathic Physician.....                  | 53    |
|                                    | Temporary Naturopathic Physician .....       | 3     |
| <b>Nurse</b>                       | APRN .....                                   | 2,763 |
|                                    | APRN -Temp .....                             | 28    |
|                                    | APRN without PP.....                         | 16    |
|                                    | APRN – CRNA Controlled Substance .....       | 322   |
|                                    | APRN – CRNA without PP.....                  | 28    |
|                                    | Temp Controlled Substance .....              | 24    |
|                                    | Temp Graduate Nurse - LPN .....              | 80    |
|                                    | Temp Graduate Nurse - RN .....               | 60    |
|                                    | Temp Licensed Practical Nurse.....           | 69    |
|                                    | Temp Registered Nurse.....                   | 288   |
|                                    | Time Limited APRN .....                      | 27    |
|                                    | Time Limited Controlled Substance.....       | 10    |
|                                    | Time Limited Licensed Practical Nurse .....  | 3     |
|                                    | Time Limited Registered Nurse .....          | 18    |
|                                    | Volunteer APRN.....                          | 1     |
|                                    | Volunteer APRN Controlled Substance .....    | 1     |
| <b>Occupational Therapy</b>        | Occupational Therapist.....                  | 1,091 |
|                                    | Occupational Therapist Assistant .....       | 413   |
|                                    | Time Limited Occupational Therapist .....    | 1     |
| <b>Online Internet Facilitator</b> | Online Internet Facilitator .....            | 2     |
| <b>Optometrist</b>                 | CS .....                                     | 311   |
|                                    | Optometrist .....                            | 536   |
|                                    | Optometrist (Without Certification).....     | 1     |
|                                    | Optometrist Diagnostic Only .....            | 5     |
|                                    | Volunteer Optometrist .....                  | 1     |
|                                    | Temporary Optometrist .....                  | 1     |
|                                    |  |       |
|                                    |  |       |
|                                    |  |       |
| <b>Osteopathic Physician</b>       | Osteopathic Online Prescriber .....          | 2     |
|                                    | Osteopathic Physician & Surgeon.....         | 1,243 |
|                                    | Restricted Associate Osteopathic CS .....    | 36    |
| <b>Pharmacy</b>                    | Dispensing Medical Practitioner .....        | 101   |
|                                    | Dispensing Medical Practitioner Clinic ..... | 40    |
|                                    | Lethal Injection Use .....                   | 1     |
|                                    | Online Contract Pharmacy .....               | 2     |
|                                    | Pharmacist .....                             | 3,951 |
|                                    | Pharmacy – Class A .....                     | 504   |
|                                    | Pharmacy – Class B.....                      | 277   |
|                                    | Pharmacy – Class C.....                      | 1,204 |
|                                    | Pharmacy – Class D .....                     | 721   |
|                                    | Pharmacy – Class E Business.....             | 611   |
|                                    | Pharmacy Intern .....                        | 686   |
|                                    | Pharmacy Technician.....                     | 5,507 |
|                                    | Pharmacy Technician Trainee .....            | 1,216 |
|                                    | Temp Pharmacist .....                        | 44    |
|                                    | Temp Pharmacist CS .....                     | 2     |
|                                    | Temp Pharmacy.....                           | 20    |
|                                    | Temp Pharmacy Dispensing CS.....             | 2     |
|                                    | Temp Pharmacy Intern .....                   | 21    |
|                                    | Temp Pharmacy Technician.....                | 63    |
|                                    | Time Limited Pharmacist .....                | 11    |
|                                    | Time Limited Pharmacy Class C.....           | 1     |
|                                    | Time Limited Pharmacy Class D .....          | 2     |
|                                    | Time Limited Pharmacy Class E.....           | 4     |
|                                    | Time Limited Pharmacy Technician .....       | 2     |



| Profession Name                   | License Name                                   | Count  |
|-----------------------------------|--|--------|
| <b>Physical Therapist</b>         | Physical Therapist .....                       | 2,525  |
|                                   | Physical Therapist Assistant .....             | 941    |
|                                   | Temporary Physical Therapist .....             | 27     |
|                                   | Temporary Physical Therapist Assistant .....   | 13     |
| <b>Physician</b>                  | Physician & Surgeon .....                      | 10,916 |
|                                   | Physician Educator CS .....                    | 7      |
|                                   | Physician Educator Type I .....                | 4      |
|                                   | Physician Educator Type II .....               | 3      |
|                                   | Physician Online Prescriber .....              | 3      |
|                                   | Restricted Associate Physician .....           | 1      |
|                                   | Temporary Physician/Surgeon CS .....           | 140    |
|                                   | Temporary Physician & Surgeon .....            | 1      |
|                                   | Volunteer Physician & Surgeon .....            | 9      |
|                                   | Volunteer Physician/Surgeon CS .....           | 4      |
|                                   | Time Limited Physician & Surgeon .....         | 208    |
| <b>Physician Assistant</b>        | Physician Assistant .....                      | 1,757  |
|                                   | Temp Physician Assistant .....                 | 1      |
|                                   | Time Limited Physician Assistant .....         | 3      |
| <b>Plumber</b>                    | Apprentice Plumber .....                       | 2,863  |
|                                   | Journeyman Plumber .....                       | 1,130  |
|                                   | Master Plumber .....                           | 1,769  |
|                                   | Residential Journeyman Plumber .....           | 87     |
|                                   | Residential Master Plumber .....               | 48     |
|                                   |  |        |
| <b>Podiatric Physician</b>        | Podiatric Physician .....                      | 245    |
| <b>Preneed</b>                    | Pre-Need Sales Agent .....                     | 182    |
| <b>Private Probation Provider</b> | Private Probation Provider .....               | 110    |
| <b>Psychologist</b>               | Assistant Behavior Analyst .....               | 68     |
|                                   | Assistant Behavior Specialist .....            | 6      |
|                                   | Behavior Analyst .....                         | 411    |
|                                   | Behavior Specialist .....                      | 17     |
|                                   | Psychologist .....                             | 1,128  |
|                                   | Psychology Resident .....                      | 38     |
|                                   | Time Limited Psychologist .....                | 65     |
|                                   | Volunteer Psychologist .....                   | 1      |
| <b>Radiology</b>                  | Radiologic Technologist .....                  | 3,059  |
|                                   | Radiologist Assistant .....                    | 12     |
|                                   | Radiology Practical Technician .....           | 433    |
| <b>Recreational Therapy</b>       | Master Therapeutic Recreation Specialist ..... | 43     |
|                                   | Therapeutic Recreation Specialist .....        | 339    |
|                                   | Therapeutic Recreation Technician .....        | 286    |
| <b>Respiratory Care</b>           | Respiratory Care Practitioner .....            | 1,911  |

| Profession Name                        | License Name                                      | Count |
|--|---|-------|
| <b>Security Companies &amp; Guards</b> | Armed Private Security Officer .....              | 1,661 |
|  | Armored Car Company .....                         | 7     |
|  | Armored Car Security Officer .....                | 402   |
|  | Armored Car Training Program Provider .....       | 4     |
|  | Contract Security Company .....                   | 55    |
|  | Contract Security Training Program Provider ..... | 13    |
|  | Interim Armed Private Security Officer .....      | 56    |
|  | Interim Armored Car Security Officer .....        | 12    |
|  | Interim Unarmed Private Security Officer .....    | 406   |
|  | Unarmed Private Security Officer .....            | 4,897 |
| <b>Social Work</b>                     | Certified Social Worker .....                     | 1,511 |
|  | Certified Social Worker Intern .....              | 81    |
|  | Licensed Clinical Social Worker .....             | 4,512 |
|  | Social Service Worker .....                       | 1,925 |
|  | Time Limited LCSW .....                           | 43    |
| <b>Speech/Audiology</b>                | Audiologist .....                                 | 322   |
|  | Speech Lang Pathologist & Audiologist .....       | 10    |
|  | Speech Language Pathologist .....                 | 1,190 |
|  | Temporary Speech Language Pathologist .....       | 41    |
|  | Time Limited Speech Language Pathologist .....    | 2     |
| <b>Substance Use Disorder</b>          | Certified Advanced SUDC .....                     | 49    |
|  | Certified Advanced SUDC Intern .....              | 3     |
|  | Certified SUDC .....                              | 32    |
|  | Certified SUDC Intern .....                       | 1     |
|  | Licensed Advanced SUDC .....                      | 129   |
|  | Licensed SUDC .....                               | 248   |
| <b>Veterinarian</b>                    | Veterinarian .....                                | 988   |
|  | Veterinarian Intern .....                         | 26    |
| <b>Vocational Rehab Counselor</b>      | Licensed Vocational Rehab Counselor .....         | 194   |

**Total Active Licenses..... 259,634**



## Investigations

DOPL is legislatively responsible to investigate acts or practices inconsistent with generally recognized standards of conduct; unlicensed practice in regulated professions or occupations; allegations of unprofessional or unlawful conduct; and gross negligence, incompetence, or patterns of negligence or incompetence.

### Complaints

Fiscal Year 2020

|                          |       |
|--------------------------|-------|
| Complaints Received..... | 5,939 |
| Complaints Assigned..... | 5,845 |
| Cases Closed.....        | 6,131 |

### Actions

|                                    |       |
|------------------------------------|-------|
| Administrative Filings .....       | 511   |
| Criminal Filings .....             | 53    |
| Citations.....                     | 1,146 |
| Letters of Concern .....           | 314   |
| Referred to URAP .....             | 21    |
| Pharmacy Alerts .....              | 299   |
| Administrative Denial Letters..... | 11    |
| Court Reports.....                 | 961   |
| Hospital Reports .....             | 165   |

## State Construction Registry (SCR)

The SCR acts as a repository for all required construction lien notices. The registry is an internet based service available to for property owners, contractors, suppliers, and other interested parties involved in a construction project. The SCR works as an online “bulletin board” and notice center that pinpoints a construction project’s timeline and identifies all interested parties participating in a project, including those who provide labor and materials. Its purpose is to prevent liens and the surprise of unknown lien rights before they become a problem for a construction project.

## Residence Lien Recovery Fund

The Residence Lien Recovery Fund (RLRF) serves as an alternate payment source for contractors, laborers, or suppliers whose liens are voided when the homeowner paid the original contractor in full and qualifies for protection under Utah’s Residence Lien Restriction and Lien Recovery Fund Act. The RLRF protects Utah homeowners from having to pay twice for construction on their homes, and protects Utah subcontractors, laborers, and suppliers by allowing them to recover the cost of their services provided, plus interest.

## Prelitigation

The Prelitigation Section expedites early evaluation and settlement or other appropriate disposition of malpractice claims. In Utah, before most medical malpractice actions can be filed in court, each claim must be reviewed by a prelitigation panel, which determines the merit of each claim. Upon proper request by a petitioner, the Prelitigation Section of DOPL will facilitate and manage the appropriate prelitigation hearing panel. Each panel consists of an attorney, a lay member of the community, and a medical professional of the same specialty as the professional facing the claim. After the hearing, The Prelitigation Section issues a certificate of compliance indicating that the petitioner has complied with this prerequisite.

### Actions

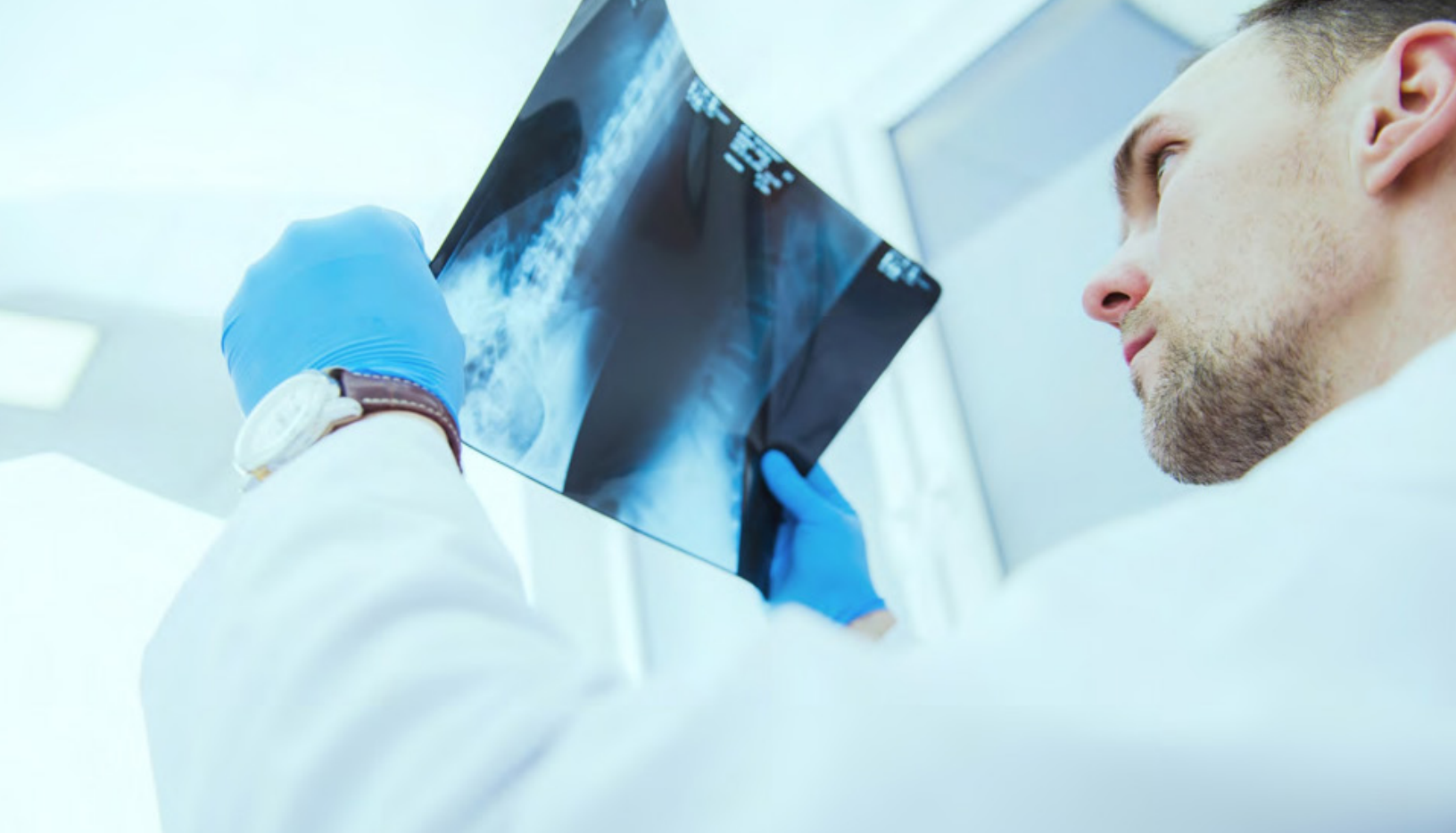
Fiscal Year 2020

|                    |     |
|--------------------|-----|
| Cases Opened ..... | 283 |
| Cases Closed.....  | 320 |

### Outcomes

|                      |     |
|----------------------|-----|
| No Merit.....        | 163 |
| Meritorious .....    | 14  |
| Stipulated .....     | 70  |
| Dismissed .....      | 40  |
| Split Decision ..... | 20  |
| Jurisdiction .....   | 2   |
| Other.....           | 11  |

|                                | Fiscal Year | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
|--------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Pre-Construction Service ..... |             | 389            | 485            | 494            | 446            | 775            | 927            | 888            |
| Construction Loan .....        |             | 6,544          | 6,717          | 7,113          | 7,384          | 7,611          | 6,619          | 6,782          |
| Building Permits .....         |             | 36,778         | 34,311         | 36,019         | 36,668         | 30,676         | 24,104         | 31,939         |
| Commencement.....              |             | 951            | 878            | 770            | 775            | 761            | 877            | 891            |
| Preliminary Notice .....       |             | 207,966        | 210,551        | 241,489        | 272,476        | 299,457        | 308,337        | 330,706        |
| Intent to Complete.....        |             | 108            | 138            | 158            | 11             | 185            | 134            | 110            |
| Remaining to Complete .....    |             | 449            | 376            | 270            | 269            | 194            | 220            | 198            |
| Completions.....               |             | 6,709          | 7,119          | 8,684          | 9,479          | 10,442         | 11,493         | 12,138         |
| Loan Default.....              |             | 3              | 0              | 3              | 0              | 2              | 40             | 2              |
| <b>Total Filings.....</b>      |             | <b>259,897</b> | <b>260,575</b> | <b>327,508</b> | <b>327,508</b> | <b>350,103</b> | <b>352,751</b> | <b>383,834</b> |



**Utah Recovery Assistance Program (URAP) and Probation**

The Division offers two programs to protect the public from licensees who engage or may engage in misconduct, while still allowing them to practice their occupation or profession. URAP is a confidential approach allowing certain first-time offenders diversion rather than disciplinary action. Probation is a public disciplinary approach. Both approaches have terms and conditions that are carefully monitored and further action is taken for noncompliance.

|  | Fiscal Year 2020 |
|--|------------------|
| Total Number of Active Licensees.....    | 259,634          |
| Total Number of Diversionees (URAP)..... | 72               |
| Total Number of Probationers .....       | 354              |

**Controlled Substance Database**

The Utah Controlled Substance Database Program tracks and collects data on the dispensing of Schedule II-V drugs by all retail, institutional, and outpatient hospital pharmacies, and in-state/out-of-state mail order pharmacies. The data is disseminated to medical and law enforcement professionals and used to identify potential cases of drug overutilization, misuse, and overprescribing of controlled substances throughout the state.

|  | Fiscal Year 2020 |
|--|------------------|
| Total Controlled Substance Prescription Records in CSD .....     | 29,249,909       |
| Total Controlled Substance Prescriptions entered in FY2019 ..... | 5,745,937        |
| Online Queries/Reports .....                                     | 2,315,707        |
| In-house Queries/Reports .....                                   | 3,924            |
| Number of Hospital Overdose Reports.....                         | 946              |
| Number of Overdoes Reports Mailed to Practitioners.....          | 2,521            |
| Number of Court Reports Regarding DUI Convictions .....          | 565              |
| Number of DUI Reports Mailed to Practitioners.....               | 745              |
| Number of Doctor Shopper Letters Mailed to Practitioners .....   | 2,178            |
| Law Enforcement Search Warrants.....                             | 267              |
| <b>Registered Users:</b>   |                  |
| Pharmacists.....   | 3,051            |
| Prescribing Practitioners .....                                  | 20,293           |
| Others.....  | 53               |

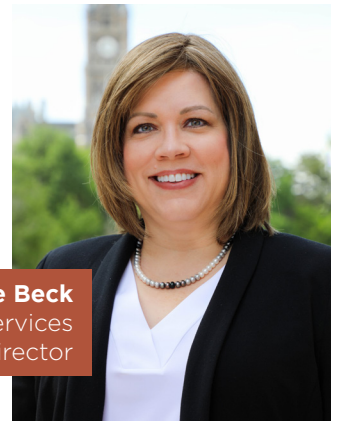




# Office of Consumer Services

## Mission Statement

The core work of the Office of Consumer Services is to evaluate the impact of utility rate proposals and other regulatory actions and to advocate positions advantageous to residential and small commercial customers.



**Michelle Beck**  
Consumer Services  
Director

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## Introduction

The Office of Consumer Services is Utah's utility consumer advocate, representing residential, small commercial and agricultural consumers of natural gas, electric and telephone service. Utah's utility consumer advocate was first established as the Committee of Consumer Services in 1977 by the Utah Legislature, reorganized into the Office of Consumer Services in 2009. The OCS has a staff of five led by a Director. The Director, on behalf of the office, represents the interests of residential and small commercial consumers in regulatory proceedings. A nine member layperson committee advises the OCS on its regulatory and advocacy work and helps establish policy objectives.

The OCS serves Utah consumers by ensuring that the interests of small consumers are fully represented

in electric, natural gas, and telecommunication matters — which includes the vigilant assessment of regulatory actions impacting customer rates, reliability of service, and public policy issues.

## Utility Regulatory Filings

The core work of the OCS is to evaluate the impact of utility rate proposals and other regulatory actions and to advocate positions advantageous to residential and small commercial customers. Regulatory filings occur throughout the year and include a wide range of issues such as: requests for rate increases, proposals for energy efficiency and conservation programs, and presentation of long-term resource plans to meet customer's future electricity and natural gas needs. Some of the OCS's key issues for FY 2020 included:



#### » **COVID-19 Impact on Public Utility Customers:**

In the last few months of FY20, the global health crisis associated with the novel coronavirus disease Covid-19 significantly impacted Utah's families, businesses, and overall economy. Utility services were of paramount importance as many businesses implemented widespread teleworking and many schools quickly transitioned to remote learning. Utilities generally saw an increase in residential demand and a decrease in commercial demand. Rocky Mountain Power and Dominion Energy implemented temporary, voluntary moratoria on disconnections. Because the effects of the public health emergency are pervasive and ongoing, the associated utility issues (such as increased costs of bad debt and arrearages, impacts from the shifting levels of usage, and difficulties for families and business facing high bills and potential disconnections will continue at least through next year. The OCS will continue to monitor these issues closely and advocate for policies beneficial to Utah's residential and small commercial customers.

#### » **Dominion Energy General Rate Case:**

Dominion Energy's FY20 request for a rate increase for its distribution system was the first in six years. (In contrast, rates for the natural gas commodity and related costs are changed at least twice per year to reflect changing costs and market conditions.) Dominion's original request was for an increase of \$19.2 million, which represented an increase of 6.83% to the average customer's annual bill. The request for higher rates was largely driven by a request for higher profits, specifically to increase the allowed rate of return on equity capital from 9.85% to 10.5%. The OCS presented strong evidence demonstrating that the rate increase was not justified, especially for smaller customers, and that market conditions warranted

a lower rate of return. Ultimately, the Public Service Commission approved an increase of only \$2.68 million and a rate of return of 9.5%. This resulted in a small rate decrease to Utah's residential and small commercial customers as the increase was primarily allocated to transportation only (TS) customers whose previous rate had not been covering their cost of service.

#### » **Integrated Resource Planning:**

Long-term resource planning is an ongoing activity for Rocky Mountain Power and Dominion Energy and the OCS actively participates in these resource planning processes. In FY20, Dominion Energy made a second request to construct a liquefied natural gas (LNG) plant. Although the OCS remains concerned about the overall cost compared to the risk mitigation capabilities, this second request was approved by the Public Service Commission. The OCS will monitor the development and utilization of Dominion's LNG plant and continue to take positions to maximize benefits to customers from this large investment. Rocky Mountain Power's 2019 Integrated Resource Plan concluded that significant levels of new renewable resources would be cost effective to acquire and the utility has moved forward with an RFP to acquire these resources. While the Commission agreed with concerns raised by the OCS about whether associated investments were properly modeled, it approved Rocky Mountain Power's RFP to obtain up to 4,300 MW of new renewable and battery resources. The OCS continues to participate in the ongoing long-term planning process for major utilities in Utah and will carefully evaluate any requests for a new generation resource that result from the current RFP or other opportunities to ensure costs, benefits, and risks to Utah's residential and small commercial customers are carefully considered.





#### » **Multi-State Process:**

Since Rocky Mountain Power is part of a system that serves six states, the utility must have a method for allocating costs among the different state jurisdictions. Over time, most of the involved states have created a “Multi-State Process (MSP)” in order to reach agreement upon a mutually acceptable method. Because of divergent state energy policies, this cost allocation agreement has required substantial amendments. The OCS represents Utah’s residential and small commercial customers in these negotiations with the goal of ensuring that costs are allocated fairly and Utah does not have its costs driven up by other states’ policies. In FY20, the utility and a wide variety of stakeholders across multiple states reached a settlement that resolved some of the major issues and established a process to address the remaining issues. While this was an important and wide reaching settlement, MSP issues will continue to be a priority for the OCS in the coming years as the remaining issues and implementation details are resolved.

#### » **Misc. Reports and Utility Filings:**

In addition to the larger cases, the OCS reviews many annual and periodic reports to confirm that the various ongoing utility initiatives meet the needs of the small customers we represent.

#### **Statewide, Regional, and Federal Regulatory Issues and Policy Forums**

The OCS has been pleased to be a participant in several statewide policy forums including a Transmission Working Group and Utah Strategic Planning Initiative led by the Governor’s Office of Energy Development (OED), and an Electricity Working Group.

While the majority of the OCS’s work is focused on state regulatory proceedings and state/regional policy initiatives, the OCS also monitors federal actions and regional forums that play a key role in utility regulation. A recent example of a key regional forum is the State-Led Regional Market Study resulting from a grant obtained by the Utah OED.

The OCS also monitors the reliability organizations that oversee the western grid, WECC and the reliability coordinators, as well as the regional transmission planning group. The Western Interconnection has recently experienced significant transition within these organizations. For example, in FY20 NorthernGrid became the new regional transmission planning group in which Rocky Mountain Power participates and the California ISO’s RC West is now the reliability coordinator for Utah’s electric utilities. The OCS continues to monitor these regional developments and represent Utah’s residential and small commercial customers on electric, natural gas, and telecommunication matters —





# Office of Property Rights Ombudsman

## Mission Statement

The mission of the OPRO is to:

- » Educate citizens and government officials regarding private property rights and the protection of those rights;
- » Encourage state and local government agencies to regulate and acquire land in a manner consistent with applicable statutes and constitutional law;
- » Advocate for fairness and compliance with state and local laws and ordinances; and
- » Assist citizens and government agencies to resolve property disputes fairly, in accordance with existing law, without expensive and time-consuming litigation.



**Jordan Cullimore**  
Property Rights  
Ombudsman





## Introduction

The Office of the Property Rights Ombudsman (the “Office”) is a non-partisan, neutral state office, created by the Utah Legislature to protect the property rights of citizens when state and local government condemns or regulates private land. The Office consists of three attorneys who advise both citizens and government entities regarding property rights and land use laws. The Office regularly mediates disputes between citizens and government entities effectively avoiding costly and time-consuming litigation.

## Fiscal Year 2020 Highlights

In November 2019, Jordan S. Cullimore was approved by the Land Use and Eminent Domain Advisory Board, and the Department of Commerce as the new Division Director and Lead Attorney.

The COVID-19 pandemic did not lessen the need for the work of the Ombudsman’s office, with 56 cases opened from March - June, which was nearly double the average monthly rate. The office also closed 66 cases, compared to 93 in the 9 months prior.

## Dispute Resolution in Land Use Cases

The Office issued 14 Advisory Opinions. Advisory Opinions for this fiscal year primarily addressed the following topics: Interpretation of Ordinances, Conditional Use Applications, and Compliance with Land Use Ordinances.

## Other Significant Accomplishments

- » The Office provided 22 formal and informal training sessions on topics within its purview to various organizations such as Utah State Bar, Utah Local Governments Trust, Utah Land Use Institute and Utah Council of Land Surveyors. The majority of land use training was provided to various municipalities and counties including, but not limited to, Cache County, Highland, West Haven, Deweyville, Providence Escalante, Circleville and the Town of Apple Valley;





# Division of Public Utilities

## Mission Statement

The Division of Public Utilities promotes the public interest in public utility regulation and works to assure that all customers of regulated gas, electric, telephone, and water utilities have access to safe, reliable service at reasonable rates.

Division activities include:

- » Investigating applications for certificates to provide utility service or to build new utility facilities;
- » Auditing, analyzing, and investigating proposed rate increases or changes;
- » Investigating and resolving complaints of utility customers;
- » Monitoring the safety of intrastate natural gas pipelines;
- » Auditing the finances and activities of utilities doing business in Utah;
- » Assisting in the monitoring and management of the Universal Service Fund, which provides support for telecommunications customers in high-cost areas;
- » Monitoring compliance with Utah law and Public Service Commission (PSC) rules and orders;



**Chris Parker**  
Division of Public Utilities  
Director

- » Coordination and consultation with other state agencies in developing and implementing utility and other state policies;
- » Advising the Governor and Legislature as needed.

## About the Division

The Division's staff of over 30 employees works with the Public Service Commission; the Office of Consumer Services and other state agencies; regulated telecommunications, electric, natural gas, and water utilities; the public; outside experts; attorneys; and other states' utility regulators. Staff members have expertise in accounting, auditing, business, finance, economics, statistics, customer service, and engineering.





### Five-Year History of Utility Complaints

| Fiscal Year                                    | 2016       | 2017       | 2018       | 2019       | 2020       |
|--|------------|------------|------------|------------|------------|
| Electric .....                                 | 84         | 109        | 86         | 80         | 66         |
| Natural Gas .....                              | 59         | 67         | 323        | 72         | 51         |
| Telecommunications: ILEC* & Century Link. .... | 125        | 94         | 77         | 72         | 61         |
| CLEC** .....                                   | 21         | 18         | 23         | 28         | 14         |
| Long Distance.....                             | 3          | 0          | 3          | 0          | 1          |
| Water/Sewer.....                               | 0          | 0          | 6          | 9          | 6          |
| <b>Total .....</b>                             | <b>292</b> | <b>288</b> | <b>518</b> | <b>261</b> | <b>199</b> |

\* Incumbent Local Exchange Carriers, e.g. Century Link, All West, Frontier, Beehive  
 \*\* Competitive Local Exchange Carrier, e.g. AT&T, McLeod USA, Integra

### Highlights

#### Energy

The Division of Public Utilities (DPU) helps ensure Utah residents have access to safe, adequate, and reliable energy at reasonable rates. In fiscal year (FY) 2020, the Division helped preserve Utah’s advantageous utility rates and reliable service. For example, the Division participated in regional negotiations concerning Rocky Mount Power’s cost allocation between states. The Division was able to prevent allocation proposals that would have saddled Utah ratepayers with the costs of other states’ policies. The DPU also participated in a General Rate Case filing with Dominion Energy. The original \$19.2 million request was reduced to \$2.6 million increase. Many of the adjustments identified by the Division were accepted and approved by the Public Service Commission. The Division continues to work with Dominion Energy’s Wexpro unit to decrease the cost of natural gas for customers. The Division also worked with Dominion Energy on a Sustainable Transportation and Energy Plan (STEP) as well as a rural

expansion program to provide natural gas to Eureka Utah.

The Division has completed reviews of Wildland Fire Protection Plans from Rocky Mountain Power and Rural Co-op power companies that operate throughout the State. Wildland Fire Protection Plans include procedures for inspections, vegetation management, preventive programs, de-energizing power lines, and disabling reclosers to mitigate potential wildfires.

The Division has worked closely with Rocky Mountain Power and intervening parties on many issues related to distributed generation and renewable generation resources. The Division is participating in a general rate case filing with Rocky Mountain Power. The Company requested a \$95.8 million increase in revenue requirement. The Division is participating in Rocky Mountain Power’s Export Credit for customer generated electricity. This project has been in various stages for approximately six years.





### Telecommunications and Water

The Division continued implementation of 2017 SB 130, which changed the process for distributing Utah Universal Service Fund revenue to high-cost rural telecommunications carriers. The new process is more efficient, allows more frequent Division review of utility investment, and provides predictable support to carriers. After an initial increase in FY 2019 because of changed rates of return, the Division decreased the customer surcharge in FY 2020.

The Division participated in two water rate cases in FY 2020. The first resulted in settlement with a 5% revenue requirement increase. The second is ongoing with a hearing scheduled in December 2020.

### Pipeline Safety

Pipeline Safety Section operates under federal law to investigate safety and other conditions relative to the piping of natural gas within Utah. The section works with local natural gas distribution companies, such as Dominion Energy, as well as municipal operators, intrastate transmission operators, and master meters.

During FY 2020, Pipeline Safety personnel conducted comprehensive inspections of Dominion Energy operations, municipal gas distribution operators, and intrastate transmission operators. The Section also inspected pipeline construction projects and investigated incidents on pipelines. These inspections assure that operator procedures and operations are consistent with federal regulations for safe functioning of natural gas systems.

### Customer Service

Customer Service provides support for the DPU, and receives and responds to inquiries from the public concerning utility matters including, general questions about tariffs and rates, open records requests, and complaints.

### Pipeline Safety Inspections

|   | Fiscal Year 2020 |
|---|------------------|
| Dominion Energy Regions.....                    | 11               |
| Dominion Energy Regions.....                    | 5                |
| Intrastate Transmission Operators .....         | 5                |
| Gathering Operators .....                       | 4                |
| Small Gas System Operators (Master Meters)..... | 9                |
| Construction.....                               | 21               |
| Incident .....                                  | 49               |





# Division of Real Estate

## Mission Statement

The mission of the Division of Real Estate is to protect the public and promote responsible business practices through education, licensure and regulation of real estate, mortgage, and appraisal professionals.



**Jonathan Stewart**  
Division of Real Estate  
Director

## 2020 Outreach

In fiscal year 2020, the Division sponsored its annual Instructor Development Workshop. Due to COVID-19, the Division's annual CARAVAN was canceled. Although CARAVAN was canceled, Division representatives were able to speak virtually at several events around the State. The Division strives to meet the needs of industry and the public by speaking about important issues whenever possible.

**October 2019** — Salt Lake Board of Realtors Podcast

**October 2019** — Division representative spoke at the Utah Association of Realtors Board of Directors Meeting.

**October 2019** — Division-sponsored Instructor Development Workshop held in Salt Lake City. Speakers included Division Director, Division enforcement and licensing supervisors, and guest speaker Mark Barker.

**October 2019** — Mandatory Commercial Property Management Course Instructor Training.

**November 2019** — Spoke at the National Association of Residential Property Managers Conference..

**December 2019** — Mandatory Residential Property Management CE Course Instructor Training

**February 2020** — Spoke to the Utah Association of Realtors Legislative Committee

**March 2020** — Spoke at the Utah Association of Appraisers Conference.

**March 2020** — Spoke at the Utah Chapter of the Appraisal Institute's Annual Symposium.

**April 2020** — Spoke to the Utah Association of Realtors Facebook - Live event.

**May 2020** — Spoke to the Utah Association of Realtors Board of Directors Meeting.

**May 2020** — Spoke virtually at the Utah Central Association





of Realtors Monthly Meeting.

**May 2020** — Spoke virtually at the Washington County Board of Realtors Monthly Meeting.

**June 2020** — Mandatory Commercial CE Course Instructor Training.

**June 2020** — Spoke virtually at the Cache Valley Association of Realtors Monthly Meeting.

## Statutory Changes

Representative Musselman sponsored H.B. 147, 1st Sub for the Division during the 2020 legislative session. Changes were made to the Utah Residential Mortgage Practices and Licensing Act, Real Estate Licensing and Practices Act, the Real Estate Appraiser Licensing & Certification Act, Appraisal Management Company Registration and Regulation Act, and the Utah Uniform Land Sales Practices Act. Highlights of H.B. 147, 1st Sub include the following:

### For Real Estate, Mortgage and Appraisal:

- » Removed references to Utah approved continuing education.
- » Removed requirements to submit to a periodic

criminal background check with the Bureau of Criminal Identification.

### For Real Estate:

- » Removed requirement for a broker to keep a license copy for all licensees affiliated with their brokerage.
- » Reduced statute of limitations for certain violations from 10 years to four years.

### For Appraisal:

- » Gained rulemaking authority for the signing of an appraisal report and the disclosure of the licensee's credential.

### For Appraisal Management:

- » Added authority for an Appraisal Management Company to remove an appraiser from a panel even within the first 30 days.

### For Subdivision:

- » Standardized exemption fees at \$100 and reduced renewal fee to \$50.
- » Updated on-site inspection requirements to only require an on-site inspection if the Division determines it is necessary.



## Licensing

The Division renews real estate and appraisal licenses on a biennial basis (two years following initial application) and mortgage licenses annually from November 1 through December 31. Real Estate Licensees are sent an email license renewal reminder notification 45 days, 30 days, and 14 days prior to license expiration and 2 days following expiration. Appraiser Licensees are sent an email license renewal reminder notification three months, 45 days, and 14 days prior to license expiration and 2 days following expiration. These notices cease following the renewal of a license.

Real Estate Brokers receive monthly notifications which provide helpful real-time information regarding the licensing status of all affiliated licensees working for their brokerage. This system informs Principal and Branch Brokers whether licensees working for their entity have completed required continuing education courses in advance of their license renewal. In addition, this tracking system allows supervising brokers to be well informed regarding upcoming license renewal deadlines. This system allows the Broker to easily account for those licensees whose licenses will soon be, or that have expired. This well-functioning process allows brokers to better supervise and monitor the licensing status of individuals working for their brokerage.

The Division implemented a **License Renewal e-mail Notification System** in October of 2013, for all real estate and appraiser licensees and a **Monthly Broker Licensee Notification System** in January of 2016, for all Real Estate licensees.

These reminder notification systems have contributed in a meaningful way to an overall sharp reduction in undesired or unintentional license expirations, unknowing or inadvertent unlicensed real estate and/or appraisal activity, and even a significant decrease in “hurry up” – “last minute rush to complete” continuing education courses in the waning hours just prior to license expiration.

This adds to the convenience and professional conduct of these licensees as well as contributing to the overall protection of and service to the general public.

In 2019 the legislature passed SB140 requiring all new and existing real estate and appraisal licensees will be required to submit to a background check and enroll in the Federal Bureau of Investigation’s RAP Back service at the time of their initial licensing or license renewal. The Division prepared to implement this new requirement including providing and performing fingerprinting services at the Heber M. Wells building as well as many third-party vendors throughout the state. Due to Covid-19 pandemic issues occurring in March, the Division temporarily postponed fingerprinting and enrollment in the RAP Back service until convenient fingerprinting vendor availability returns and Covid-19 virus issues are under greater statewide control.

Federal legislation authorizes temporary authority to originate loans for licensed or registered mortgage loan originators coming to Utah or from Utah to another state. Applying individuals have temporary authority for 120 days while fulfilling the licensing requirements of the state(s) receiving the license request.

## Education

The Division conducted its annual Instructor Development Workshop to assist professional instructors of real estate, mortgage, and appraisal education. The annual workshop (which has occurred consecutively now for over 25 years), helps educators refine and improve their instructional skills. State licensees benefit from having knowledgeable, well trained educators that not only know their subject matter, but also have enhanced delivery skills to heighten the learning experience of prospective and established licensees.

The Division coordinated with and received approval from the Conference of State Bank Supervisors (CSBS) to enable the Division (and Utah Mortgage Licensees) to now have Continuing Education Courses (2-hour Utah Law, and Division CARAVAN courses) receive credit for and be tracked in the National Mortgage Licensing System (NMLS). This will streamline and expedite the Mortgage license renewal process.

An administrative rule was passed in fiscal year 2019 requiring active real estate licensees to have completed a new mandatory 3-hour continuing education course to renew their licenses after January 1, 2020. The division



worked with industry representatives and focus groups to prepare course outlines and subsequently approve course providers for three different versions of the mandatory course for licensing specialties in residential, commercial, and property management. The mandatory courses have been enthusiastically accepted and have greatly advanced the level of consistency and overall understanding of essential real estate practices, policies, and procedures.

The following tables offer historical data as to the number of certifications issued by the Division, as well as the number of prelicensing examinations that have been administered:

### Certification Issued

|                                       | Fiscal Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------------|-------------|------|------|------|------|------|
| Real Estate                           |             |      |      |      |      |      |
| Pre-Licensing Instructors . . . . .   | 29          | 28   | 31   | 30   | 27   |      |
| Real Estate CE Courses . . . . .      | 741         | 660  | 790  | 791  | 778  |      |
| Real Estate CE Instructors . . . . .  | 568         | 483  | 477  | 542  | 491  |      |
| Mortgage Pre-Licensing Instructors .  | 5           | 4    | 4    | 5    | 1    |      |
| Mortgage CE Courses . . . . .         | 7*          | 7*   | 8*   | 14   | 11   |      |
| Mortgage CE Instructors . . . . .     | 4*          | 7*   | 10*  | 14   | 11   |      |
| Appraisal CE Courses . . . . .        | 448         | 225  | 236  | 284  | 244  |      |
| Appraisal CE Instructors . . . . .    | 68          | 66   | 69   | 83   | 17   |      |
| Appraisal Pre-Licensing Instructors . | 33          | 47   | 47   | 46   | 3    |      |

*\*Under the licensing program that has been adopted across the country in order to comply with the federal S.A.F.E. Act, continuing education (CE) courses for mortgage professionals are now reviewed and approved at the national level by the Nationwide Mortgage Licensing System (NMLS). This year the Division received approval from the NMLS to have two Division approved CE courses tracked inside of the NMLS database establishing a more seamless license renewal process.*

### Pre-Licensing Examinations Administered

|                                  | Fiscal Year | 2016  | 2017  | 2018  | 2019  | 2020 |
|----------------------------------|-------------|-------|-------|-------|-------|------|
| Real Estate Agent Exams . . . .  | 3,559       | 3,872 | 4,733 | 4,983 | 4,235 |      |
| Real Estate Broker Exams . . . . | 275         | 245   | 320   | 323   | 303   |      |
| Mortgage PLM Exams . . . . .     | 123         | 161   | 235   | 300   | 234   |      |
| Appraiser Exams . . . . .        | 132         | 33    | 39    | 105   | 72    |      |

*Mortgage Loan Originator exams are now scheduled and administered through Nationwide Mortgage Licensing System (NMLS).*

### Support Services

The Division has well trained and helpful licensing specialists that professionally assist the public and licensees in resolving questions about the licensing or renewal processes, rules and regulations, or general industry practices for the real estate, mortgage, and appraisal professions. Communication by phone call, easily accessible website information, and live chat conversations are conducted by accommodating, service oriented experts.

### Total Number of Licenses/Registrations

|   | Fiscal Year   | 2015          | 2016          | 2017          | 2018          | 2019          | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|------|
| Real Estate . . . . .                   | 22,858        | 24,745        | 26,035        | 27,137        | 28,644        | 27,655        |      |
| Mortgage . . . . .                      | 5,276         | 5,784         | 6,519         | 7,083         | 7,029         | 6,927         |      |
| Appraiser . . . . .                     | 1,314         | 1,415         | 1,461         | 1,481         | 1,515         | 1,691         |      |
| Appraisal Management Companies (AMCs) . | 148           | 142           | 139           | 135           | 129           | 177           |      |
| Subdivision/ Timeshare . . . . .        | 643           | 558           | 550           | 523           | 609           | 547           |      |
| <b>Total</b>                            | <b>30,239</b> | <b>32,646</b> | <b>34,704</b> | <b>36,359</b> | <b>37,926</b> | <b>36,997</b> |      |

### New Licenses/Registrations Issued

|   | Fiscal Year  | 2015         | 2016         | 2017         | 2018         | 2019         | 2020 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Real Estate . . . . .                   | 2,479        | 2,600        | 2,640        | 2,901        | 3,145        | 2,357        |      |
| Mortgage . . . . .                      | 949          | 1,112        | 1,435        | 1,501        | 1,258        | 1,290        |      |
| Appraiser . . . . .                     | 252*         | 267*         | 305*         | 287*         | 351*         | 260*         |      |
| Appraisal Management Companies (AMCs) . | 12           | 12           | 9            | 7            | 10           | 10           |      |
| Subdivision/ Timeshare . . . . .        | 220          | 164          | 190          | 226          | 202          | 129          |      |
| <b>Total</b>                            | <b>3,912</b> | <b>4,154</b> | <b>4,565</b> | <b>4,922</b> | <b>4,966</b> | <b>4,046</b> |      |

*\*Includes temporary permit and reciprocal licenses.*

### Licenses/Registrations Renewed

|                                  | Fiscal Year   | 2015          | 2016          | 2017          | 2018          | 2019          | 2020 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|------|
| Real Estate . . . . .            | 8,060         | 8,950         | 8,839         | 10,585        | 10,158        | 8,768         |      |
| Mortgage . . . . .               | 4,603         | 4,915         | 5,459         | 5,043         | 5,612         | 5,292         |      |
| Appraiser . . . . .              | 691           | 603           | 689           | 645           | 721           | 599           |      |
| Subdivision/ Timeshare . . . . . | 125           | 130           | 129           | 151           | 131           | 125           |      |
| <b>Total</b>                     | <b>13,479</b> | <b>14,598</b> | <b>15,116</b> | <b>16,424</b> | <b>16,622</b> | <b>14,784</b> |      |





## Enforcement

The Division's enforcement staff receives complaints regarding licensees in the real estate, mortgage, and appraisal industries. Complaints range from advertising complaints or unlicensed activity to allegations of fraud in the sale and purchase of homes.

In an effort to address the number of complaints the Division receives on an annual basis, the Division hired another investigator in a time-limited position to assist with investigating the complaints received. The Division successfully closed and reduced the amount of pending cases by 108 in the last fiscal year.

The Division secured contract appraisers to assist with appraisal investigations. This will result in more credible investigative outcomes.

The Division has two Assistant Attorneys General assisting the Division with drafting stipulated settlements, as well as representing the Division in licensing and enforcement hearings.

The Division referred one real estate case criminally to the Attorney General's Office, which is still pending. This case involved two real estate agents and one escrow officer. One of the Defendants pleaded guilty and the other two are facing a jury trial in the spring of 2021.

The Division distributes a quarterly newsletter to all licensees. Two investigators on the enforcement team write articles for the newsletter, addressing hot topics within the three industries.

The Division continues to pursue cases which result in administrative actions as well. The following tables provide data about the type and number of disciplinary sanctions obtained by the Division, either through stipulation or by disciplinary action in an administrative hearing. Through these actions, the Division ordered a total of \$345,137.50 in fines during fiscal year 2020.

### Enforcement Statistics

|                            | Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|-------------|------|------|------|------|------|------|
| <b>Complaints Received</b> |             |      |      |      |      |      |      |
| Real Estate.....           | 288         | 481  | 352  | 366  | 373  | 240  |      |
| Appraiser.....             | 56          | 38   | 38   | 51   | 32   | 52   |      |
| Mortgage.....              | 59          | 92   | 46   | 69   | 61   | 28   |      |
| <b>Cases Opened</b>        |             |      |      |      |      |      |      |
| Real Estate.....           | 186         | 253  | 335  | 229  | 221  | 177  |      |
| Appraiser.....             | 44          | 38   | 33   | 45   | 19   | 12   |      |
| Mortgage.....              | 46          | 54   | 61   | 56   | 44   | 19   |      |
| <b>Cases Closed</b>        |             |      |      |      |      |      |      |
| Real Estate.....           | 142         | 476  | 303  | 253  | 245  | 346  |      |
| Appraiser.....             | 43          | 31   | 42   | 47   | 45   | 58   |      |
| Mortgage.....              | 30          | 92   | 34   | 38   | 44   | 38   |      |
| <b>Total Open Cases</b>    |             |      |      |      |      |      |      |
| <i>as of June 30th</i>     |             |      |      |      |      |      |      |
| Real Estate.....           | 296         | 291  | 393  | 393  | 506  | 427  |      |
| Appraiser.....             | 45          | 43   | 35   | 35   | 22   | 11   |      |
| Mortgage.....              | 89          | 69   | 81   | 87   | 91   | 106  |      |

### Fiscal Year 2020 Sanctions

| Sanctions               | Appraisal | Real Estate | Mortgage | Total |
|-------------------------|-----------|-------------|----------|-------|
| Remedial Education..    | 1         | 3           | 32       | 36    |
| Fines .....             | 4         | 8           | 53       | 65    |
| Probation.....          | 0         | 7           | 103      | 110   |
| Suspension .....        | 0         | 3           | 11       | 14    |
| Revocation/Surrender    | 2         | 0           | 3        | 5     |
| Denial .....            | 0         | 2           | 7        | 9     |
| Cease and Desist.....   | 0         | 0           | 6        | 6     |
| Citation.....           | 0         | 0           | 25       | 25    |
| Criminal Referral ..... | 0         | 0           | 0        | 0     |



## Division of Securities

### Mission Statement

The Division of Securities enhances Utah's business climate by protecting Utah's investors through education, enforcement and fair regulation of Utah's investment industry while fostering opportunities for capital formation.



**Jason Sterzer**  
Division of Securities  
Director

### Licensing

The Division of Securities licenses and regulates those in the securities industry that sell securities, offer advice about securities, or manage the investments of others. These include: broker-dealers, securities agents, investment advisers, investment adviser representatives, issuer agents, and certified dealers and their agents. The Division works closely with the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and securities regulators from other states to streamline the licensing process and ensure consistency.

### Corporate Finance/Securities Registration

Another key component of the Division's efforts to promote legitimate capital markets is to register securities offerings that are qualified to be sold in this state and review the adequacy of disclosures to potential investors by companies offering certain types of securities. In addition, Division employees meet with companies seeking to raise capital to explain the many options for raising capital and to discuss how to improve the quality of disclosure to potential investors. The chart below lists the number of registrations, exemption offerings, and other filings reviewed by the Corporate Finance Section of the Division.





## Securities Licensing

| Fiscal Year                                      | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Broker-Dealers .....                             | 1,590          | 1,563          | 1,561          | 1,558          | 1,534          | 1,529          | 1,531          | 1,510          | 1,488          |
| Broker-Dealer Agents .....                       | 99,499         | 101,709        | 107,354        | 112,988        | 118,769        | 122,071        | 126,709        | 131,569        | 135,452        |
| Investment Advisers (I.A.) .....                 | 145            | 180            | 202            | 206            | 215            | 234            | 236            | 233            | 241            |
| Federal Covered Advisers .....                   | 925            | 905            | 946            | 986            | 1,035          | 1,055          | 1,106          | 1,160          | 1,266          |
| I.A. Representatives .....                       | 4,159          | 4,471          | 4,823          | 5,072          | 5,257          | 5,410          | 5,559          | 5,636          | 5,839          |
| Certified Broker-Dealers .....                   | 16             | 14             | 18             | 16             | 17             | 17             | 15             | 16             | 13             |
| Certified Broker-Dealer Agents .....             | 82             | 91             | 99             | 91             | 88             | 86             | 79             | 87             | 62             |
| Certified Investment Advisers .....              | 4              | 6              | 6              | 7              | 6              | 7              | 8              | 8              | 8              |
| Certified Investor Adviser Representatives ..... | 25             | 33             | 31             | 40             | 67             | 43             | 42             | 42             | 39             |
| Issuer Agents .....                              | 84             | 87             | 85             | 91             | 90             | 109            | 85             | 76             | 80             |
| <b>Total .....</b>                               | <b>106,526</b> | <b>109,059</b> | <b>115,125</b> | <b>121,055</b> | <b>127,048</b> | <b>130,561</b> | <b>135,370</b> | <b>140,337</b> | <b>144,488</b> |

## Securities Filings

| Fiscal Year                    | 2012         | 2013           | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--------------------------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Coordination .....             | 120          | 104            | 108          | 97           | 88           | 72           | 62           | 40           | 40           |
| Qualification .....            | 1            | —              | —            | 1            | 2            | 2            | 1            | 1            | 1            |
| Exemption .....                | 48           | 41             | 40           | 42           | 46           | 34           | 38           | 35           | 29           |
| Opinion/No Action Letter ..... | 2            | —              | 2            | 2            | 1            | 1            | 0            | 2            | 3            |
| Mutual Funds .....             | 5,749        | 5,865          | 5,960        | 6,221        | 6,225        | 5,804        | 5,425        | 5,498        | 5,802        |
| Rule 506 .....                 | 651          | 651            | 794          | 981          | 995          | 1,165        | 1,330        | 1,365        | 1,503        |
| <b>Total .....</b>             | <b>6,571</b> | <b>109,059</b> | <b>6,904</b> | <b>7,344</b> | <b>7,357</b> | <b>7,078</b> | <b>6,856</b> | <b>6,941</b> | <b>7,378</b> |

## Compliance and Enforcement

The Compliance Section of the Division of Securities conducts routine and “for cause” examinations pertaining to the operations of licensed broker-dealers, investment advisers, and their agents. If misconduct

is found, the Division will work with the licensed individual or firm to bring them into compliance with the applicable laws or initiate disciplinary proceedings against the licensee depending upon the nature of the violation or misconduct.



The Enforcement Section of the Division of Securities actively seeks to identify those investment offerings that are fraudulent or otherwise fail to comply with the law’s requirements. Enforcement is a key component

in promoting legitimate capital markets by preventing the loss of investor monies to fraudulent schemes and promoting investor confidence in the integrity of the markets.

### Compliance and Enforcement

| Fiscal Year                      | 2012        | 2013         | 2014        | 2015        | 2016        | 2017        | 2018         | 2019        | 2020        |
|----------------------------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| <b>Activity</b>                  |             |              |             |             |             |             |              |             |             |
| New Investigation/Audits .....   | —           | —            | —           | —           | —           | —           | —            | —           | —           |
| Complaints Received.....         | 226         | 164          | 110         | 109         | 91          | 124         | 117          | 197         | 148         |
| Audit Files Opened.....          | 62          | 82           | 85          | 86          | 100         | 87          | 97           | 102         | 95          |
| Investigation Files Opened ..... | 58          | 44           | 39          | 51          | 35          | 48          | 54           | 53          | 73          |
| <b>Administrative Cases</b>      |             |              |             |             |             |             |              |             |             |
| New Cases Filed.....             | 87          | 81           | 47          | 76          | 68          | 53          | 53           | 31          | 59          |
| Stipulation & Consent Orders.... | 35          | 31           | 37          | 41          | 31          | 33          | 17           | 19          | 31          |
| Adjudicated Orders .....         | —           | 19           | 10          | 12          | 2           | 6           | 7            | 1           | —           |
| Default Orders .....             | —           | —            | 23          | 33          | 41          | 22          | 29           | 14          | —           |
| <b>Criminal Cases</b>            |             |              |             |             |             |             |              |             |             |
| Criminal Charges Filed .....     | 18          | 10           | 12          | 16          | 11          | 16          | 25           | 15          | 20          |
| Convictions .....                | 5           | 2            | 7           | 2           | 10          | 13          | 11           | 11          | 8           |
| Pleas in Abeyance.....           | 3           | 3            | 1           | —           | 3           | 6           | 1            | 1           | —           |
| <b>Fines and Restitution</b>     |             |              |             |             |             |             |              |             |             |
| Fines Assessed .....             | \$5,239,452 | \$5,239,452  | \$2,582,376 | \$5,645,788 | \$5,048,104 | \$627,125   | \$4,297,456  | \$3,533,564 | \$2,390,491 |
| Fines Paid.....                  | \$550,223   | \$217,983    | \$164,660   | \$228,759   | \$212,150   | \$260,525   | \$181,598    | \$1,165,472 | \$341,380   |
| Restitution Ordered.....         | \$2,435,430 | \$15,915,435 | \$368,786   | \$567,583   | \$1,979,566 | \$1,175,000 | \$19,913,548 | \$1,165,472 | \$277,794   |





## Commerce Fiscal Year 2020 Expenditures by Division

| Division Name                               | Expenditures        |
|---|---------------------|
| Commerce Administration / IT.....           | \$4,432,100         |
| Property Rights Ombudsman.....              | \$472,400           |
| Occupational & Professional Licensing ..... | \$9,356,400         |
| Securities .....                            | \$2,351,800         |
| Consumer Protection .....                   | \$2,139,100         |
| Corporations & Commercial Code .....        | \$2,771,900         |
| Real Estate .....                           | \$2,247,800         |
| Public Utilities .....                      | \$4,359,700         |
| Consumer Services.....                      | \$882,500           |
| Building Operations & Maintenance .....     | \$314,400           |
| <b>Total .....</b>                          | <b>\$29,328,100</b> |