



UTAH DEPARTMENT
OF COMMERCE

FY 2022
Annual Report

Our Vision

Utah's commercial activities operate efficiently and fairly.

Our Core Values

Trust
Unity

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Our Mission

Promoting **TRUST** in Utah's commercial activities through regulation, enforcement, and education.



About this report

The state fiscal year runs from July 1 to June 30. The information and data in this report reflects data and accomplishments completed during the state's 2022 fiscal year, which spanned from July 1, 2021 to June 30, 2022.

Message from Margaret Busse, Executive Director

Governor Cox, Legislators, and Taxpayers,

The Utah Department of Commerce has had a busy and productive fiscal year 2022. Our focus has been on fostering a culture of innovation as we look for ways to reduce regulatory burdens on the state's professional workforce. With nearly 40% of Utah's workforce needing a professional license to do business, we're committed to reasonable and relevant licensure requirements. It is our goal to instill trust in Utah's professional workforce and commercial activities and we continue to work toward this mission.

In FY 2022 we enacted a strategic plan that focused on two major objectives. Those objectives aim to ready Utah's economy for future growth by ensuring:

1. Management and system infrastructure are up-to-date and prepared to meet the challenges of continued economic growth
and
2. Regulation, enforcement, and education activities are effective, efficient, and relevant in a constantly changing and growing economy.

Working with legislative leadership, we have secured funding to upgrade many of the department's technology platforms, including the One Stop Business Registration, which is used by hundreds of thousands of businesses every year. Upgrading this system will help the department run more efficiently and better serve those who are required to register. In addition, we conducted some enlightening market research into the way Utahns are affected by scams and fraud. This data will help us focus our outreach efforts to ensure they are relevant to what citizens are experiencing in the economy. Both of these efforts will help us continue to empower Utahns to engage in the economy with the tools they need to do so confidently.

Our divisions have had several successes this fiscal year. Here are a few highlights:

Administration

Collaborated with the governor's office and legislative leadership to create the Office of Professional Licensure Review.

Division of Corporations and Commercial Code

Completed a comprehensive review of filing fees to find ways to reduce financial barriers for business owners.

Division of Public Utilities

Advocated the public interest in a general rate case filed by Rocky Mountain Power.

Division of Real Estate

Relaunched continuing education caravans, taking information and resources to license holders in eight different cities and towns in rural Utah areas.

Office of Property Rights Ombudsman

Conducted 48 presentations to cities, counties, various organizations on land use & development, eminent domain, and takings law.

Division of Consumer Protection

Negotiated, in connection with the FTC, a settlement with investment coaching company Zurixx to recover over \$12 million in consumer loss funds.

Division of Professional Licensing

Championed changes to professional licensing rules that created a permanent Registered Nurse Apprentice License, criminal history guidelines, and opened a pathway for foreign credentialing.

Division of Securities

Aided the U.S. Attorney's office in the prosecution of investment fraudster Gaylen Rust, who was sentenced to 19 years in federal prison for running a silver trading Ponzi scheme.

Office of Consumer Services

Collaborated with Rocky Mountain Power and others on their Electric Vehicle Infrastructure Program (EVIP) to ensure robust and effective communication with electric vehicle owners and other stakeholders.

In the next fiscal year we will focus on implementing many of the initiatives we have laid the groundwork for, including the new Office of Professional Licensure Review. We are grateful for the support we've received from the governor's office, legislative leadership and the citizens of Utah as we continue to work toward making Utah's economy the best in the country.

Respectfully,



Margaret Busse, Executive Director



Utah Department of Commerce Administration

Mission Statement

Supporting our divisions as they enhance trust in Utah's economy.



Margaret Busse
Department of Commerce
Executive Director

About the Division

The Department of Commerce Administration Division works to support the department's six divisions and two offices through executive leadership, accounting, and mass communication. In addition, the administration office oversees the department's information systems and coordinates with our two administrative law judges.

New Office of Professional Licensure Review

One of the biggest tasks for Commerce administration included setting up the Office of Professional Licensure Review. In Jan 2022 the legislature passed S.B.16, which formally organized the office. This effort was a direct result of Governor Cox's EO 2021-1, in which he asked agencies to look for ways to eliminate barriers to licensure, while still maintaining an appropriate level of regulation to ensure public safety. [SB 16](#) charges the new office

with creating a systematic review process for all state license requirements. Making ongoing review of requirements part of the regulatory process will ensure requirements are reasonable and relevant. The office officially opens July 1, 2022.

Fee Reductions

Another major effort for the department's administration was the reduction of fees for certain business filings and securities registrations. Under the direction of department leadership, Commerce's Division of Securities and the Division of Corporations and Commercial Code reviewed the fees that are assessed in their divisions. The results of that review revealed an opportunity to significantly reduce fees for certain filings and licensing without compromising the excellent level of service those divisions provide to Utah's business community.



Commerce leadership worked closely with Governor Spencer Cox and the Office of Planning and Budget to ensure fee reductions could be supported by the state’s overall budget. These fee reductions resulted in a combined savings of approximately \$5.2 million to Utah businesses and license holders. [\(See Appendix A for more information on fee reductions.\)](#)

Communication Efforts

In FY 2022, Commerce made a major shift in department communications. This included hiring a new Communications Director. Under his direction, the department has turned its focus on being more proactive in communicating department successes, both internally and externally. Most notably, the department has undergone a redesign of branding. This rebrand has led to the creation of a unified style guide and other materials that will help employees maintain a unified brand identity. This new identity will help engender trust in the department and its various divisions.

The department continues to grow its social media presence and has started conducting customer feedback surveys in an effort to better understand the customer experience and how it may be improved to ensure the citizens of Utah are getting the information they need to conduct business.

Social Media Statistics



Facebook:
Started Dec. 2018
337 followers



Twitter:
Started Sept. 2012
2,110 followers



Instagram:
Started Nov. 2020
249 followers



YouTube:
Started Mar. 2021
250 video views

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	17	2	0	15	0	0
Closed	17	1	0	16	0	0
Affirmed	4	0	0	4	0	0
Remanded	6	0	0	6	0	0
Dismissed	6	0	0	6	0	0
Reverse	0	0	0	0	0	0
Modified	1	1	0	0	0	0



Division of Consumer Protection

Mission Statement

Strengthening trust in Utah's commercial activities by protecting consumers through education and impartial enforcement.

Daniel O'Bannon
Consumer Protection
Director



About the Division

The Division protects consumers through educational efforts, registration of certain entities, and enforcing consumer protection laws. The Division also collaborates with other organizations and agencies on consumer issues.

The Division works to educate the public by advising wise consumer behaviors as well as demonstrating the importance of spotting and avoiding scams and fraud. It further educates businesses about how they can operate in compliance with the law.

The Division enforces consumer protection laws through registering charities and specific types of businesses, and through investigating alleged violations of the law. When necessary, the Division can bring administrative action against companies if the results of an investigation warrant doing so.

Education

With the addition of a full-time communication outreach manager, the Division increased its commitment to future educational endeavors.

In Fiscal Year 2022, in addition to providing coordinated social media efforts with the Department of Commerce and other government agencies, the Division contributed to more than 10 community outreach events. These efforts, which mostly consisted of presentations to the public about scams and fraud, included a webinar alongside the Utah Attorney General, AARP and the FTC about fighting consumer fraud and identity theft in Utah as well as a panel discussion at a southern Utah seniors expo alongside Sen. Mike Lee.

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
- » 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 2022 Highlights

Benefits Recovered for Consumers

Not including multistate cases, the Division recovered over \$2,285,958.00 in benefits for consumers during FY2022.

Amendments to Laws Enforced

During the 2022 General Session, the Legislature passed several bills that impacted laws enforced by the Division: S.B. 26 amended the Business Opportunity Disclosure Act; S.B. 227 created the Consumer Privacy Act, which will take effect on December 31, 2023; H.B. 38 added catalytic converter purchases to the Pawnshop, Secondhand Merchandise, and Catalytic Converter Transaction Information Act; H.B. 217 amended the Telephone and Facsimile Solicitation Act and the Telephone Fraud Prevention Act; and H.B. 436 amended the Health Spa Services Protection Act.





Top Ten Consumer Complaints for Fiscal Year 2022

The top ten consumer complaints list is compiled from the number of complaints received in the following categories *(It is important to note that not all complaints result in action being taken against a business or individual):*

- | | | | |
|---|---|----|--------------------------------------|
| 1 | Travel/Vacations | 6 | Home Repair (Other than warranty) |
| 2 | Home Remodel | 7 | Home Furnishings |
| 3 | Auto: Parts/Repairs | 8 | Health Care: Other Products/Supplies |
| 4 | Home: Protection Devices/Alarms Cameras | 9 | Solar |
| 5 | Auto: Sales (New & Used) | 10 | Home Appliances |



Statistics

Complaints

Fiscal Year	2020	2021	2022
Complaints Received.....	2,050	1,321	1,921
Complaints Opened.....	1,804	1,183	1,576
Complaints Closed.....	1,712	1,018	1,755
Complaints Referred/Not Assigned.....	241	136	345

Active Registrations

Business Opportunities.....	7	6	9
Business Opportunity Franchise Exemptions.....	1,414	1,527	1,763
Charitable Organizations.....	6,274	6,723	6,999
Charitable Organizations Exemptions.....	120	50	54
Credit Service Organizations.....	26	29	34
Debt Management Service Providers.....	34	34	39
Health Spas.....	188	202	289
Immigration Consultants.....	39	58	61
Residential Vocational and Life Skills Program.....	2	2	2
Maintenance Funding Providers.....	13	20	18
Pawn Shop Registration.....	119	117	137
Catalytic Converter Purchasers.....	-	-	1
Secondhand Merchandise Dealers.....	201	189	236
Postsecondary Proprietary Schools.....	73	80	78*
Postsecondary Proprietary Schools Exemptions.....	39	41	42
Professional Fund Raisers.....	91	99	124
Professional Fund Raising Counsel or Consultant.....	160	148	215
State Authorization – Postsecondary Accredited Schools.....	43	37	31
State Authorization – Postsecondary Private Nonprofit Schools.....	3	2	3
State Authorization – Postsecondary Public Nonprofit Schools.....	1	0	2
Telemarketers.....	82	69	72
Transportation Network Companies.....	2	3	3

* The Division modified its methodology for this year's report, so numbers may differ from prior reports.

Total Consumer Benefits Recovered & Fines Collected

Total Consumer Benefits Recovered.....	\$3,809,627	\$618,139	\$1,443,374.18
Total Consumer Fines Collected.....	\$81,295	\$121,603	\$99,413.17



Division of Corporations & Commercial Code

Mission Statement

Strengthening trust in Utah's marketplace by facilitating corporate and commercial code filings and providing reliable information to the public.



Leigh Veillette
Corporations &
Commercial Code
Director

About the Division

The Division of Corporations and Commercial Code (DCCC) is responsible for business filings in the state of Utah, as well as all Uniform Commercial Code and Central Filing System filings. In addition, the division registers all state trademarks, and maintains the Governmental Immunity Database.

Customer Service

The division provides a variety of customer service

options to meet the needs of its customers.

» Help Center

The division maintains a call-in help center, which fielded 45,170 calls in fiscal year 2022. Help center representatives are available to speak with customers between the hours of 8:00 AM to 4:45 PM Monday through Friday (with the exception of state and federal holidays). The division prides itself on its relatively short wait times, and for the ability of customers to speak to a live person.

» Live Chat

Division representatives are also available to customers via live chat. This can be a convenient option for customers who need immediate assistance, but may not be available to speak via telephone.

» Email

The division maintains two main email accounts for customer assistance: corpucc@utah.gov provides assistance on general enquiries, and orders@utah.gov assists customers with document orders, including certified copy orders. These accounts are monitored by division staff from 8:00 AM to 5:00 PM Monday through Friday (with the exception of state and federal holidays).

Business Filings

Fiscal Year	2022			
Transaction Type	In-House (Physical Document)	Online	Total	Online filing Rate
New Entity & DBA Registrations	27,566	65,799	93,365	70.48%
Amendments	4,589	0	4,589	N/A
Conversions	2,107	0	2,107	N/A
Mergers	293	0	293	N/A
Reinstatements	1,779	12,495	14,274	87.54%
Renewals	4,466	336,668	341,134	98.69%
Changes	3,191	87,922	91,113	96.50%

Certified Document Orders

Certificates of Existence	453	29,409	29,862	98.48%
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New Filings

Fiscal Year	CORP	% Increase	DBA	% Increase	LLC	% Increase	LP	% Increase	Total	% Increase
2020	7,875	-0.87%	17,934	-1.65%	47,928	1.36%	209	-26.67%	73,946	0.26%
2021	9,423	19.66%	20,513	14.38%	60,458	26.14%	311	48.80%	90,705	22.66%
2022	9,143	-2.97%	18,220	-11.18%	65,497	8.33%	291	-6.43%	93,151	2.70%

UCC & CFS Filings

2022

	In-House (Physical Document)	Online	Total	Online Adoption Rate
CFS-1 Effective Financing Statement	117	97	214	45.33%
CFS-2 Request for Information	0	7,346	7,346	100%
CFS-3 Statement of Amendment, Assignment Continuation or Termination	205	287	492	58.33%
UCC-1 Financing Statement	3,209	28,290	31,499	89.81%
UCC-1 Financing Statement Amendment	2,660	22,968	25,628	89.62%
UCC-11 Information Request	97	33,107	33,204	99.71%





Division of Professional Licensing

Mission Statement

Strengthening trust in Utah's professional workforce through effective licensing, balanced regulation, and consumer engagement to facilitate informed decisions.



Mark Steinagel
Professional Licensing
Director

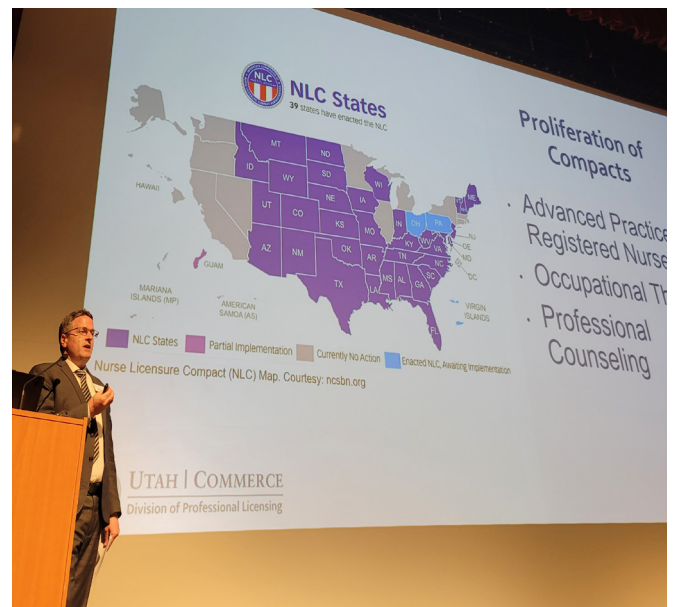
About the Division

The Division of Professional Licensing (DOPL) administers and enforces specific laws related to the licensing and regulation of certain occupations and professions. The goal is to protect the public and enhance commerce through licensing and regulation. DOPL's efforts are organized into two primary functions: licensing and investigations. DOPL issues licenses in approximately 60 categories. DOPL also investigates unlawful and unprofessional practices within its regulated occupations and professions.

2022 Notable Achievements

- » The Registered Nurse Apprentice License, which was offered temporarily to fill industry need at the height of the pandemic, was so successful for both the industry and the community that it was made a permanent license type.
- » Reviewed 37 exams, totaling 5,000 questions to ensure content reflects industry standards. The Electrician Practical Exam was completely rebuilt, from the ground up, to more adequately reflect the standards of today's industry. This new Electrician Practical Exam is also more accessible to applicants, as it is now offered in 3 new locations: St. George, Provo, and Weber County.
- » Reduced the number of supervision hours needed to apply for licensure as a Clinical Mental Health Counselor, Marriage and Family Therapist, or Licensed Clinical Social Worker by 1,000 hours.
- » Introduced three new languages for cosmetology exams (Russian, Persian, Farsi).

- » Laid the groundwork for Authorized Foreign Pathways to allow refugees and others to qualify for licensure in Utah.
- » Continued to remove unnecessary barriers to licensure for ex-offenders by reviewing and updating criminal history guidelines for individual professions.
- » Presented to and met with Healthcare Professionals across the state during DOPL's First Bi-Annual Healthcare CME course. DOPL offered free continuing medical education credits and taught licensees about changes to licensing laws and rules, availability of state resources, and the importance of mental health.
- » Conducted a spring television, radio, and social media advertising campaign to educate consumers on how to verify a license on dopl.utah.gov for free when hiring a contractor.
- » Achieved an all-time attendance record during the Cosmetology Annual Conference, reaching over 400 cosmetology instructors, thanks to improvements in technology and communication.



Application & Renewal Statistics

2022 Total Licenses.....	287,931
2022 New Applications Submitted.....	61,219
2022 Renewals: Online	135,254
Manual	1,871
Total	137,125
2022 Percent Online	98.64%





Licenses by Profession Fiscal Year 2022 (Including Temporary Licences)

Profession Name	License Name	Count
Accountancy	C.P.A. Firm	766
	Certified Public Accountant	6,042
Acupuncture	Licensed Acupuncturist	191
Architect	Architect	2,927
Athlete Agents	Athlete Agent	80
Athletic Trainer	Athletic Trainer	762
Building Inspector	Combination Inspector	323
	Limited Inspector	404
Burglar Alarm	Burglar Alarm Company	217
	Burglar Alarm Company Agent	8,894
	Temporary Burglar Alarm Company Agent	145
C.S. Precursor	Controlled Substance Precursor	10
Chiropractic	Chiropractic Physician	1,031
Clinical Mental Health	Assoc. Clinical Mental Health Counselor	505
	Associate Clinical Mental Health Counselor Extern	13
	Clinical Mental Health Counselor	2,030
	Volunteer Clinical Mental Health Counselor	1
Commercial Interior Design	Certified Commercial Interior Designer	75
Contractor	Contractor With LRF	28,827
	Handyman Exemption Registration	1,841

Profession Name	License Name	Count
Cosmetology	Barber	1,101
	Barber Apprentice	65
	Barber Instructor	73
	Barber School	16
	Cosmetologist / Barber	31,939
	Cosmetologist / Barber Apprentice	86
	Cosmetologist / Barber Instructor	2,125
	Cosmetology / Barber School	37
	Electrologist	161
	Electrologist Instructor	21
	Electrology School	2
	Esthetician	2,114
	Esthetician Apprentice	26
	Esthetician Instructor	824
	Esthetics School	25
	Hair Design School	12
	Hair Designer	168
	Hair Designer Apprentice	18
	Master Esthetician	7,291
	Master Esthetician Apprentice	32
Court Reporter	Nail Technician	7,325
	Nail Technician Apprentice	248
	Nail Technician Instructor	322
	Nail Technology School	14
Deception Detection	State Certified Court Reporter	137
	Deception Detection Exam Administrator	11
	Deception Detection Examiner	21
	Deception Detection Intern	3

Profession Name	License Name	Count
Dental	Dental Hygienist	131
	Dental Hygienist with Local Anesthesia	3,528
	Dentist – Anesthesia Class A Permit	1,000
	Dentist – Anesthesia Class B Permit	1,197
	Dentist – Anesthesia Class C Permit	898
	Dentist – Anesthesia Class D Permit	249
	Dentist - Anesthesia Class E Permit	111
	Volunteer Dentist Anesthesia Class A	6
	Volunteer Dentist Anesthesia Class B	4
	Volunteer Dentist Controlled Substance	3
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Dietitian	Certified Dietitian	1,237
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Direct-Entry Midwife	Direct-Entry Midwife	72
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Electrician	Apprentice Electrician	8,885
	Journeyman Electrician	4,976
	Master Electrician	2,681
	Residential Journeyman Electrician	380
	Residential Master Electrician	240
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Elevator Mechanic	Elevator Mechanic	179
	Temporary Elevator Mechanic	3
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Engineer/ Land Surveyor	Professional Engineer	10,423
	Professional Land Surveyor	720
	Professional Structural Engineer	2,183
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Environmental Health Scientist	Environmental Health Scientist	261
	Environmental Health Scientist - Training	21
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Factory Built Housing	Factory Built Housing Dealer	91
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Funeral Service	Funeral Service Director	369
	Funeral Service Establishment	144
	Funeral Service Intern	61
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Genetic Counselor	Genetic Counselor	502
	Temporary Genetic Counselor	3
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Geologist	Professional Geologist	844
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Health Facility Administrator	Health Facility Administrator	398
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Hearing Instrument	Hearing Instrument Intern	30
	Hearing Instrument Specialist	137
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Hunting Guides/ Outfitters	Hunting Guide	677
	Outfitter	190
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Landscape Architect	Landscape Architect	426
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Marriage & Family Therapy	Associate MFT Extern	2
	Associate Marriage & Family Therapist	265
	Marriage & Family Therapist	1,120
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Massage	Massage Apprentice	94
	Massage Therapist	7,293
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Medical Language Interpreter	Certified Medical Language Interpreter	260
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Medication Aide – Certified	Medication Aide – Certified	28
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Music Therapy	State Certified Music Therapist	69

Profession Name	License Name	Count
Naturopathic	Naturopath including Surgery & OB	1
	Naturopathic Limited CS Testosterone	39
	Naturopathic Physician	69
	Temporary Naturopathic Physician	1
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Nurse	APRN	4,340
	APRN without PP	12
	APRN – CRNA Controlled Substance	427
	APRN – CRNA without PP	428
	Certified Nurse Midwife	201
	Licensed Practical Nurse	2,478
	Registered Nurse	41,968
	Temp Graduate Nurse - LPN	11
	Temp Graduate Nurse - RN	31
	Temp RN Apprentice License	514
	Time Limited Registered Nurse	2
	Volunteer APRN	2
	Volunteer LPN	2
	Volunteer RN	14
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Occupational Therapy	Occupational Therapist	1,310
	Occupational Therapist Assistant	496
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Optometrist	CS	351
	Optometrist	643
	Optometrist (Without Certification)	1
	Optometrist Diagnostic Only	3
	Temp Optometrist	1
	Volunteer Optometrist	1
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Osteopathic Physician	Osteopathic Physician & Surgeon	1,623
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Pharmacy	Dispensing Medical Practitioner	135
	Dispensing Medical Practitioner Clinic	49
	Eligible Charity Pharmacy Registration	2
	Pharmacist	4,123
	Pharmacy – Class A	483
	Pharmacy – Class B	319
	Pharmacy – Class C	1,309
	Pharmacy – Class D	777
	Pharmacy – Class E Business	700
	Pharmacy Intern	541
	Pharmacy Technician	5,840
	Pharmacy Technician Trainee	1,432
	Temporary Pharmacist	41
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Physical Therapist	Physical Therapist	2,874
	Physical Therapist Assistant	1,054
	Temporary Physical Therapist	13
	Temporary Physical Therapist Assistant	13
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Physician	Physician & Surgeon	12,056
	Physician Educator CS	8
	Physician Educator Type I	4
	Physician Educator Type II	4
	Restricted Assoc Physician CS	1
	Restricted Assoc Physician	1
	Temporary Physician/Surgeon CS	1
	Temporary Physician & Surgeon	1
	Volunteer Physician & Surgeon	12
	Volunteer Physician/Surgeon CS	3
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Physician Assistant	Physician Assistant	2,273



Profession Name	License Name	Count
Plumber	Apprentice Plumber	3,676
	Journeyman Plumber	1,398
	Master Plumber	1,827
	Residential Journeyman Plumber	116
	Residential Master Plumber	52
Podiatric Physician	Podiatric Physician	272
	Volunteer Podiatric Physician	1
Preneed	Pre-Need Sales Agent	183
Private Probation Provider	Private Probation Provider	98
Psychologist	Approval for Psychology Exam	1
	Assistant Behavior Analyst	42
	Assistant Behavior Specialist	5
	Behavior Analyst	634
	Behavior Specialist	11
	Psychologist	1,212
	Psychology Resident	37
	Volunteer Psychologist	1
Radiology	Radiologic Technologist	3,467
	Radiologist Assistant	10
	Radiology Practical Technician	445
Recreational Therapy	Master Therapeutic Recreation Specialist	42
	Therapeutic Recreation Specialist	360
	Therapeutic Recreation Technician	291
Respiratory Care	Respiratory Care Practitioner	2,326
	Temporary Respiratory Care Apprentice	67

Profession Name	License Name	Count
Security Companies & Guards	Armed Private Security Officer	1,708
	Armored Car Company	7
	Armored Car Security Officer	430
	Armored Car Training Program Provider	4
	Contract Security Company	63
	Contract Security Training Program Provider	13
	Interim Armed Private Security Officer	5
	Interim Armored Car Security Officer	2
	Interim Unarmed Private Security Officer	29
	Unarmed Private Security Officer	5,333
Social Work	Certified Social Worker	1,774
	Certified Social Worker Intern	162
	Licensed Clinical Social Worker	5,356
	Social Service Worker	1,890
Speech/ Audiology	Audiologist	374
	Speech Lang Pathologist & Audiologist	14
	Speech Language Pathologist	1,398
	Temporary Speech Language Pathologist	66
Substance Use Disorder	Certified Advanced SUDC	54
	Certified Advanced SUDC Intern	1
	Certified SUDC	26
	Certified SUDC Intern	3
	Licensed Advanced SUDC	135
	Licensed SUDC	252
Veterinarian	State Certified Veterinary Technician	180
	Veterinarian	1,135
	Veterinarian Intern	26
Vocational Rehab Counselor	Licensed Vocational Rehab Counselor	183

Total Active Licenses 287,931

Investigations

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

Complaints

Fiscal Year 2022

Complaints Received	5,786
Complaints Assigned	5,731
Cases Closed	5,939

Actions

Administrative Filings	338
Citations Issued	1,018
Criminal Filings	54
Letters of Concern	199
Referred to UPHP	8 *
Pharmacy Inspections	369
Pharmacy Alerts	190
Administrative Denial Letters	1

*The Referred to UPHP statistics is significantly lower than Fiscal Year 2021 due to process changes made by UPHP to encourage licensees to self-report rather than being referred to the program by investigations.



Utah Professionals Health Program (UPHP)

The Utah Professionals Health Program (UPHP) offers a confidential approach and alternative to public discipline for healthcare professionals with substance use disorders. UPHP protects the public from licensees who engage or may engage in misconduct while still allowing the licensee to maintain their license and continue to practice their occupation or profession.

Fiscal Year 2022

Number of Participants	95
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Compliance (Public Probation)

If the Division finds that a licensee has engaged in unlawful or unprofessional conduct, the licensee may be subject to a range of disciplinary actions. One possible disciplinary action is public probation. The licensee enters into a probation contract ("Stipulation and Order") with the Division, and agrees to comply with certain terms and conditions of practice for a specified period of time. DOPL's Compliance team carefully monitors the licensee's compliance with their Stipulation and Order and follows up on noncompliance issues.

Fiscal Year 2022

Number of Probationers	326
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Prelitigation

Before most Utah medical malpractice actions can be filed in court, each claim must be reviewed by a prelitigation panel, which briefly hears the case and renders an informal, non-binding opinion on the merit of the claim. DOPL's prelitigation program facilitates and manages the required prelitigation panels.

Each prelitigation 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. Panel hearings are confidential and not open to the public, formal court rules of evidence do not apply, there is no right of cross-examination by the parties or their counsel, and the hearing is not recorded. The findings of the panel are also not admissible in evidence in any subsequent court proceeding. After the hearing, the prelitigation program simply issues a certificate of compliance indicating that the petitioner has complied with this prerequisite.

Fiscal Year 2022

Actions

Cases Opened	258
Cases Closed	1,089

Outcomes

No Merit	106
Meritorious	13
Stipulated	64
Dismissed	881
Split Decision	24
Jurisdiction	0
Other	1

State Construction Registry (SCR)

The SCR acts as an online bulletin board for all required construction lien notices. The SCR is available to property owners, contractors, suppliers, and other interested parties involved in a construction project. The SCR works as a 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. The SCR is designed to prevent surprise liens and ensure all parties receive payment for the project.

Fiscal Year	2020	2021	2022
Pre-Construction Service	888	1,916	1,895
Construction Loan	6,782	8,983	7,661
Building Permits	31,939	27,947	28,737
Commencement	891	788	998
Preliminary Notice	330,706	364,746	469,482
Intent to Complete	110	136	114
Remaining to Complete	198	114	102
Completions	12,138	12,591	13,099
Loan Default	2	0	1
Intent to Finance	N/A	N/A	1
Total Filings	383,834	417,223	522,094



Residence Lien Recovery Fund (LRF)

The 1994 Utah Residence Lien Restriction and Lien Recovery Fund Act ("Act") addresses a problem in the residential construction industry when contractors are paid but do not pay their subcontractors or suppliers, and the homeowner is forced to pay the subcontractors and suppliers again to prevent loss of the home due to lien foreclosure. First, the Act prohibits a mechanics' lien or civil judgment against a homeowner for construction expenses if the homeowner paid the original licensed contractor or developer in full under a written contract, and properly occupied the home as a residence. Second, the Residence Lien Recovery Fund (LRF) created by the Act serves as an alternate payment source for the contractors, laborers, or suppliers whose mechanic's liens against the home are voided because the homeowner is protected under the Act.

DOPL administers the Act and LRF by reviewing homeowner applications to determine if the homeowner is protected by the Act, and issuing Certificates of Compliance to homeowners who qualify for protection. Additionally, DOPL reviews and pays qualifying claims against the LRF from the contractors, laborers, and suppliers whose mechanic's liens are voided because a homeowner is protected by the Act.

	Fiscal Year 2022	Since Inception
Number of Claims Filed	8	3,008
Amount of Claims	\$219,469.33	\$22,472,530.08
Number of Claims Paid	7	2,178
Amount of Paid Claims	\$280,851.27	\$16,221,148.72
Number of Claims Denied	1	577
Number of Claims Dismissed	0	253

The statistics above include claims filed in Fiscal Year 2021, but not paid until Fiscal Year 2022.

Controlled Substance Database

The Utah Controlled Substance Database (CSD) Program tracks and collects data on the dispensing of known addictive drugs by most hospitals and pharmacies, both retail and mail order. The CSD Program is a state-level intervention to improve opioid prescribing, inform clinical practice, and protect patients from harm. CSD has continued to successfully integrate electronic health records (EHR) with more Utah healthcare entities, including some major entities such as the Veterans Administration. Thanks to the hard work of CSD staff, many more Utah providers can now automatically search the CSD for controlled substance medications for patients and analytics on patient risk to assist with clinical decisions.

	Fiscal Year 2022
Total Controlled Substance Prescription Records in CSD	29,378,408
Total Controlled Substance Prescriptions entered in FY2022	6,400,613
Online Queries/Reports	10,247,575
In-house Queries/Reports	1,252
Number of Hospital Overdose Reports	667
Number of Overdoses Reports Mailed to Practitioners	1,985
Number of Court Reports Regarding DUI Convictions	665
Number of DUI Reports Mailed to Practitioners	929
Number of Doctor Shopper Letters Mailed to Practitioners	2,683
Law Enforcement Search Warrants	246
Hospital Reports	667
Court Reports	929
Medical Examiner Reports	275

Registered Users:

Pharmacists	3,390
Prescribing Practitioners	23,823
Others	2,708



Office of Consumer Services

Mission Statement

Strengthening trust in Utah's public utility services by advocating for residential and small business customers to promote fairness and advance the public interest.



Michele Beck
Consumer Services
Director

About the Division

The Office of Consumer Services is Utah's utility consumer advocate, representing residential and small commercial 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 five 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 fiscal year 2022(FY22) included:



» **New Electric Generating Resources:**

This year included several regulatory processes focused on planning and evaluating potential new electric generating resources for Rocky Mountain Power (RMP). In FY22, the OCS reviewed the outcome from RMP's 2020 All-Source RFP, the proposed design for a new 2022 All-Source RFP, as well as reviewed the Public Service Commission's (PSC) ruling on RMP's 2021 Integrated Resource Plan (IRP). The 2020 RFP selected a significant amount of new solar, battery, and wind resources that will come online to start serving customers between 2022 and 2024. Stakeholder (including OCS) input helped shape some process improvements in the subsequent 2022 RFP that is currently out for bids. Finally, based on the recommendations of OCS and others, the PSC did not acknowledge RMP's 2021 IRP, instead directed RMP to better comply with the well-established IRP Guidelines, emphasizing the importance of selecting new electric generating resources consistent with Utah state policy as outlined in the IRP Guidelines.

» **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. This issue remains a top priority for OCS as it will govern a large percentage of the costs paid by Rocky Mountain Power customers as well affecting the utility's planning and operations.

» **Energy Efficiency:**

The OCS proactively participates in the demand-side management (DSM) advisory groups for Rocky Mountain Power and Dominion Energy Utah. Energy efficiency is an important energy resource, especially

to lessen the impact of Utah's growing demand for electricity. The OCS supports cost-effective conservation and energy efficiency programs as being in the interest of all customers. This year the OCS has focused its analysis on whether various programs that compensate customers for curtailing or shifting the timing of usage are consistent and fair. An OCS priority is to ensure that all customer classes have an equal opportunity to participate in and benefit from these demand response programs.

» **Electric Vehicle Infrastructure Program (EVIP):**

Rocky Mountain Power filed its request to approve the EVIP consistent with recently passed legislation. A diverse set of stakeholders settled on the general terms of the program. In a separate proceeding and settlement, stakeholders agreed on a revised pilot time-of-use rate for electric vehicle owners. In addition, the OCS worked the RMP and others to design a robust communications program. As adoption of electric vehicles increases, the OCS prioritizes policies that maximize the benefits and minimize cost pressures from this increased electric load.

» **Rate Design Collaborations:**

In FY22, the OCS had the opportunity to participate in two important rate design collaborations. These types of regulatory proceedings may allow for a more informal exchange of information and discussions that ideally lead to greater understanding and better outcomes.

One such collaborative in FY22 led to an eventual settlement for a special contract between a large customer and Rocky Mountain Power (RMP). Another important and ongoing collaborative is exploring how Grid Modernization and Advanced Rate Design can be accomplished for RMP, important issues for the entire electric industry with changing customer usage patterns

and an evolving mix of electric generating resources that is becoming more dependent on intermittent renewable resources.

» **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. In FY22 some examples of other cases include:

- Dominion Energy Utah's request to add a new property into its cost-of-service gas supply managed by its affiliate, Wexpro;
- Initial discussions regarding appropriate rate design to support the Community Renewable Energy Program (authorized by HB411);
- Reviewing numerous annual reports to ensure that programs are operating as authorized and provide appropriate benefits to the small business and residential customers the OCS represents, including a review of recently expanded wind and transmission resources, service quality, hedging, and each utility's Sustainable Transportation and Energy Plan.

Statewide, Regional, and Federal Regulatory Issues and Policy Forums

While the majority of the OCS's work is focused on state regulatory proceedings, the OCS also monitors federal actions as well as statewide and regional forums that could significantly influence utility operations and regulation. This year the OCS increased its focus on regional issues. The OCS participates in or monitors WECC (the reliability organization that oversees the western grid), the regional transmission planning group NorthernGrid, the newly established Western Resource Adequacy Program and developing regional energy markets. This year, the OCS led an effort to organize the consumer advocate organizations in the Western states and established a monthly meeting to share information about the various regional forums. The goal of this collaboration is to better leverage the collective resources of consumer advocates from multiple states to increase our joint influence on behalf of utility customers. In addition, OCS representatives serve in key leadership roles on the Member Advisory Committee of the WECC and the Governance Review Committee associated with the Western EIM (Energy Imbalance Market) and the Energy Day Ahead Market (EDAM).





Office of the Property Rights Ombudsman

Mission Statement

Safeguarding Utah property rights through education and dispute resolution



Jordan Cullimore
Property Rights
Ombudsman

About the Office

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 2022 Highlights

The attorneys in the Office work every day with the citizens of Utah to help them understand, and to protect, their property rights. They also work with state and local government agencies and other entities such as the Utah Department of Transportation (UDOT) Utah Transit Authority and Rocky Mountain Power, when such entities seek to regulate and acquire land. The Office ensures these entities operate in a manner consistent with applicable statutes and constitutional law. In addition:



- » Attorneys had the opportunity to provide insight and experience in land use law, via externship, to Ryder Seamons, a law student from BYU.
- » The Land Use and Eminent Domain [Advisory Board](#) who has oversight of the Office welcomed Nathan Bracken, representing the Utah Associations of Special Districts, to the Board.
- » Administrative Rule R151-05 was made effective as of February 22, 2022. This rule addresses the Land Use Training Fund.

Dispute Resolution in Land Use Cases

As a means of resolving land use disputes, the Office of the Property Rights Ombudsman is authorized to issue Advisory Opinions, or written legal analyses of land use questions. An Advisory Opinion thoroughly evaluates the facts, and reaches a legal conclusion based on an application of existing laws. The economy plays an important role in the types of legal questions submitted to our office for review from both citizens and entities.

[Advisory Opinions](#) for this fiscal year primarily addressed the following topics: Compliance with Land Use Ordinances, Entitlement to Application Approval, Exactions on Development, Interpretation of Ordinances and Requirements Imposed on Development.

matter was resolved and the opinion was no longer needed or the subject matter fell outside the jurisdiction of the Office.

Under Utah law, the Office is able to mediate and arbitrate disputes involving eminent domain, relocation, and takings. During this FY22, the Office conducted almost 60 mediations, received 138 new requests and resolved 122 matters. Such as with advisory opinions, the number and type of requests received is based upon what is happening within Utah's economy. In particular, for eminent domain matters, the number of requests will

vary depending on whether or not an entity receives enough funding to proceed with its project. During this fiscal year the majority of mediation requests were primarily from Cities and Towns as well as entities like UDOT and UTA.

Land Use Training

As part of its mandate from the Utah Legislature, The Office of the Property Rights Ombudsman provides free training on a variety of topics, including, land use & development, eminent domain and takings law. We provided a total of 48 presentations both formal and informal to cities, counties, various organizations and citizen groups.

Land Use Training Funds

In 2018, the Utah Legislature allocated a portion of building permit surcharge fees to the Office of the Property Rights Ombudsman. The Office uses these funds to provide training on drafting and applying land use laws and land use dispute resolution. In addition to using the funds to provide training resources directly, the Ombudsman's Office also uses the funds to award reimbursement grants to other organizations or individuals who also provide land use training and meet certain criteria. Grants have been provided to Rural Community Consultants and the Utah Land Use Institute to provide onsite and online training and land use law resources.



Division of Public Utilities

Mission Statement

Strengthening trust in Utah's public utility services by advocating safe, adequate, and reliable service at reasonable rates.



Chris Parker
Division of Public Utilities
Director

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.

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



	Fiscal Year	2020	2021	2022
Electric		66	127	69
Natural Gas		51	53	32
Telecommunications: ILEC* & Century Link		61	59	79
CLEC**		14	15	13
Long Distance		1	0	2
Water/Sewer		6	6	5
Total		199	260	200

** Competitive Local Exchange Carrier, e.g. AT&T, McLeod USA, Integra

The Division of Public Utilities successfully advocated the public interest in numerous electric utility cases in FY 2022, including cases clarifying Rocky Mountain Power's long-term planning requirements and its ability to recover additional revenue from ratepayers for new plants without filing a general rate case. The Division also worked with Rocky Mountain Power, electric vehicle charging companies, and others to build an electric vehicle and time of use pilot program.

The Division participated in numerous water utility cases, helping ensure customers retained access to utility systems and that water rates better match the cost of providing the service and ensuring utility facilities are reliable and resilient.



Dominion Energy Regions.....	16
Municipal Gas Distribution Operators.....	6
Intrastate Transmission Operators	6
Gathering Operators	4
Small Gas System Operators (Master Meters).....	24
Construction.....	34
Incident	15



Division of Real Estate

Mission Statement

Strengthening trust in Utah's real estate industry through education, licensure, and regulation of real estate, mortgage, and appraisal professionals.



Jonathan Stewart
Division of Real Estate
Director

About the Division

The Division of Real Estate protects the public and promotes responsible business practices through education, licensure, and regulation of real estate, mortgage and appraisal professionals. The Division also receives and processes complaints about realtors, appraisers, and mortgage companies.

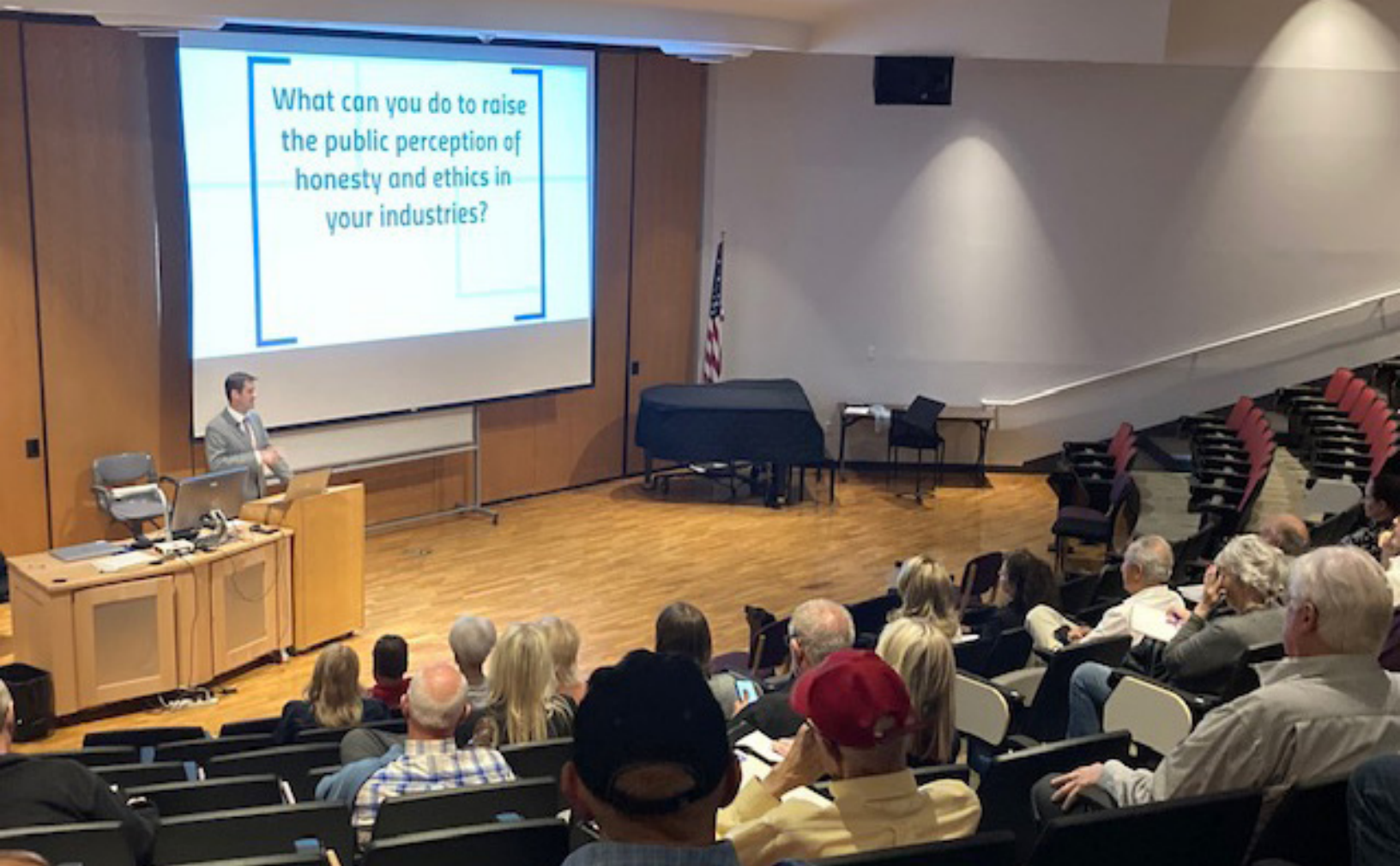
2022 Outreach

After a two-year hiatus, the Division returned to Vernal, Logan, Layton, Provo, Moab, Richfield, Cedar City, and St. George for their annual CARAVAN. Division staff gave licensees timely updates about statutory and rule changes, licensing, and enforcement. We were excited to once again visit with licensees in person to talk about current issues and answer questions.

Statutory Changes

Representative Musselman ran H.B. 69 for the Division of Real Estate. This bill removed outdated regulation, removed barriers to entry, and reduced regulation. This statutory change made the following significant changes:

- » Allow a mortgage licensee to have a license revocation vacated after a hearing before the mortgage commission;
- » Rulemaking authority to designate an acting principal broker in the event a principal broker dies, is incapacitated, or is unable to perform the duties of a principal broker;



- » Allow a licensee coming from another state to become licensed in Utah by only being required to take the Utah portion of the pre-license education and pass the Utah portion of the test; and,
- » Remove requirements to complete additional CE to reinstate an expired license.

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.

Education

The Division conducted its annual Instructor Development Workshop in Park City on October 27-28, 2021. This workshop assists 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.

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 including 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.

Throughout the year, Division staff also spoke at several other educational events including Utah Association of Realtors' Board of Directors Meetings, Utah Association of Mortgage Professionals luncheon, Brigham Young University Law School, National Association of Residential Property Managers Conference, and other events.

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	2020	2021	2022
Real Estate				
Pre-Licensing Instructors	27	26	26	
Real Estate CE Courses	778	735	727	
Real Estate CE Instructors	491	490	393	
Mortgage Pre-Licensing Instructors .	1	4	4	
Mortgage CE Courses	11	33	32	
Mortgage CE Instructors	11	12	12	
Appraisal CE Courses	244	246	212	
Appraisal CE Instructors	17	15	14	
Appraisal Pre-Licensing Instructors .	3	20	13	

**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	2020	2021	2022
Real Estate Agent Exams	4,235	6,626	5,682	
Real Estate Broker Exams	303	416	350	
Mortgage PLM Exams	234	359	574	
Appraiser Exams	72	100	113	

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	2020	2021	2022
Real Estate	27,655	28,378	27,197	
Mortgage	6,927	9,856	11,662	
Appraiser	1,691	1,494	1,445	
Appraisal Management Companies (AMCs) .	177	122	122	
Total	36,450	39,850	40,426	

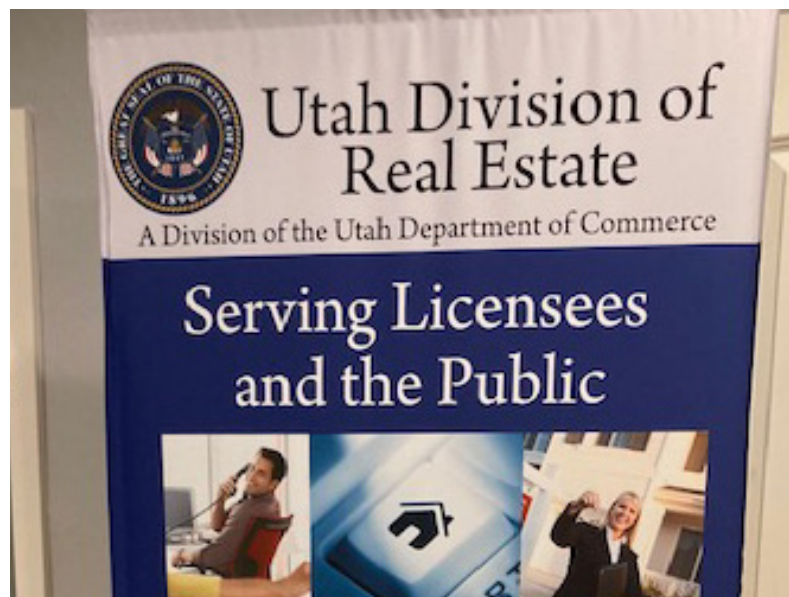
New Licenses/Registrations Issued

	Fiscal Year	2020	2021	2022
Real Estate	2,357	2,744	3,289	
Mortgage	1,290	1,577	3,619	
Appraiser	260*	315*	283*	
Appraisal Management Companies (AMCs) .	10	5	7	
Total	3,917	4,641	7,204	

**Includes temporary permit and reciprocal licenses.*

Licenses/Registrations Renewed

	Fiscal Year	2020	2021	2022
Real Estate	8,768	11,936	12,065	
Mortgage	5,292	6,626	9,602	
Appraiser	599	695	657	
Total	14,659	19,257	22,324	





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 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 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 \$194,550 in fines during fiscal year 2022.

Enforcement Statistics

Fiscal Year	2020	2021	2022
Complaints Received			
Real Estate.....	240	260	251
Appraiser	52	31	35
Mortgage.....	28	36	58
Cases Opened			
Real Estate.....	177	132	139
Appraiser	12	22	32
Mortgage.....	19	20	36
Cases Closed			
Real Estate.....	346	439	226
Appraiser	58	25	9
Mortgage.....	38	22	28
Total Open Cases			
<i>as of June 30th</i>			
Real Estate.....	427	390	354
Appraiser	11	23	38
Mortgage.....	106	119	120

Fiscal Year 2022 Sanctions

Sanctions	Appraisal	Real Estate	Mortgage	Total
Remedial Education..	1	20	0	21
Fines	1	24	10	35
Probation.....	0	82	1	82
Suspension	0	4	0	4
Revocation/Surrender	0	1	0	1
Denial	0	10	1	11
Cease and Desist.....	0	0	1	1
Citation.....	0	12	0	12
Criminal Referral	0	0	0	0





Division of Securities

Mission Statement

Strengthening trust in Utah's investment industry by protecting Utah's investors through education, enforcement, and fair regulation while fostering opportunities for capital formation.



Jason Sterzer
Division of Securities
Director

About the Division

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	2020	2021	2022
Broker-Dealers	1,488	1,590	1,555
Broker-Dealer Agents	135,452	145,143	160,050
Investment Advisers (I.A.)	241	254	246
Federal Covered Advisers	1,266	1,351	1,465
I.A. Representatives	5,839	6,281	6,548
Certified Broker-Dealers	13	10	10
Certified Broker-Dealer Agents	62	43	36
Certified Investment Advisers	8	8	9
Certified Investor Adviser Representatives	39	39	41
Issuer Agents	80	76	92
Total	144,488	154,711	170,052

Securities Filings

Fiscal Year	2020	2021	2022
Coordination	40	46	45
Qualification	1	1	0
Exemption	29	23	23
Opinion/No Action Letter	3	1	0
Mutual Funds	5,802	4,917	4,748
Rule 506	1,503	2,192	3,250
Total	7,378	7,180	8,066



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	2020	2021	2022
Activity			
New Investigation/Audits			
Complaints Received	148	66	91
Audit Files Opened	95	74	117
Investigation Files Opened	53	52	50
	73		
Administrative Cases			
New Cases Filed	59	20	19
Stipulation & Consent Orders	31	8	9
Adjudicated Orders	—	4	0
Default Orders	—	3	2
Criminal Cases			
Criminal Charges Filed	20	8	18
Convictions	8	7	10
Pleas in Abeyance	—	4	0
Fines and Restitution			
Fines Assessed	\$2,390,491	\$589,000	\$5,715,131.88
Fines Paid	\$341,380	\$79,385	\$381,019.86
Restitution Ordered	\$277,794	\$10,750,816	\$1,605,612

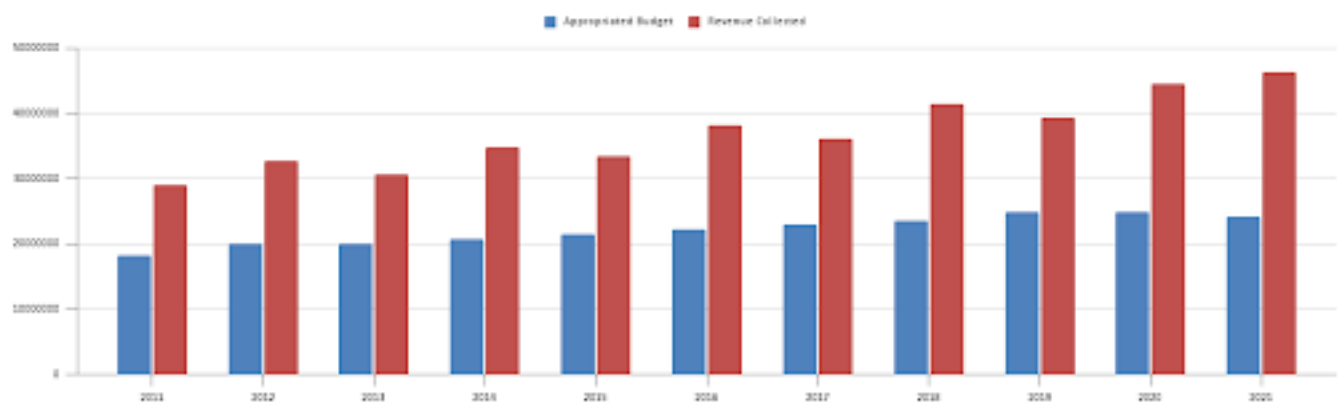


APPENDIX A

FY 2023 FEE REDUCTIONS

Overview

In FY 2022, Commerce leadership became acutely aware of an increasing trend of fee overcollection. This trend around the fees being collected for business registration and securities licenses. Division directors received instruction to review all fees to see how they compared to the services rendered by those divisions. The result showed an opportunity to reduce fees without affecting the service being provided.



This historical data chart shows revenue from fees has increased over time, while expenses on services have remained relatively flat.

Working toward a solution

Leadership engaged with the governor’s office and legislators to explore how the fees could be reduced without affecting the overall budget. The result was a 25% decrease in fees for securities licenses and an 11% decrease in fees for business registrations and other filings. This decrease makes the current fee spending ratio 53%. Legislators approved the change through the passing of H.B. 8 in the 2022 legislative session.

The benefits of this fee reduction are threefold:

Commerce is situated to **strengthen Utah’s business environment** by modernizing services and improving Utah’s reputation as a great investment destination

Approximately **\$7,700,000** combined budget impact of improved services and fee reductions

Over **500,000** license holders and business owners get a break in fees

	Fee Reductions	Increased Appropriation	Itemized Increase
Securities	\$3.68 million	\$1.3 million	Technology - \$400K Education - \$300K 3 FTEs - \$400K Examiner retention - \$190K
Corporations	\$1.66 million	\$1.1 million	Technology - \$1M 1 FTE - \$100K

APPENDIX A (CONTINUED)

NEW FEE SCHEDULE

Effective July 1, 2022, the Division of Securities will assess the following new licensing and filing fees:

Agent	\$40
Broker/Dealer	\$130
Investment Advisor	\$40
Investment Advisor Representative	\$30
Federal Covered Advisor	\$70

Effective July 1, 2022, the Division of Corporations and Commercial Code will assess the following new licensing and filing fees:

Articles of Incorporation	
Domestic Profit	\$54
Foreign Profit	\$54
Certificate of Organization/Qualification	
Limited Liability Company	\$54
Annual Report	
Profit	\$13
Limited Partnership	\$13
Limited Liability Company	\$13
Other Foreign/Domestic	\$13
Reinstatement	
Profit	\$54
Limited Partnership	\$54
Limited Liability Company	\$54
DBA	
Registration	\$22
Business/Real Estate Investment Fee	\$22

Ongoing Fee Monitoring

The department will continue to monitor fee collection and the ratio of dollar collected to dollar spent on services to ensure the two are equitable.



Commerce Fiscal Year 2022 Expenditures by Division

Division Name	Expenditures
Commerce Administration / IT.....	\$5,289,200
Property Rights Ombudsman.....	\$515,800
Occupational Licensing	\$11,478,200
Securities	\$2,776,300
Consumer Protection	\$2,553,300
Corporations & Commercial Code	\$2,621,900
Real Estate.....	\$2,553,100
Public Utilities	\$4,794,200
Consumer Services.....	\$870,900
Building Operations & Maintenance	\$374,700
Total	\$33,827,600