

**UTAH DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE
REAL ESTATE COMMISSION
DRAFT MEETING MINUTES**

JUNE 3, 2026, 10:00 AM – 12:00 PM

Commissioners In Attendance:

- Rick Southwick, Chair
- Jim Bringhurst, Vice Chair
- Andrea Wilson
- Marie McClelland
- Randy Smith

Commissioners Not in Attendance:

- None noted

MEETING MINUTES

1. Meeting Purpose

- The meeting was convened to address House Bill 377, which requires the Department of Commerce to submit a report by August 31, 2026, to the Business and Labor Interim Committee. (05:34)
- The report must identify overlaps between the Division of Consumer Protection (“DCP”) and Division of Real Estate (“DRE”) regarding property management and make recommendations to avoid duplicative jurisdiction. (06:05)
- This discussion served as part of a “listening tour” to gather industry perspectives and subject matter expertise to inform those recommendations. (07:10)

2. Overview of Division Functions

- DCP:
 - Acts as a state enforcement agency focused on business-to-consumer transactions. (09:50)
 - Oversees the Consumer Sales Practices Act and approximately 30 other statutes, including new artificial intelligence and consumer privacy laws. (09:21)

- Possesses broad enforcement powers, including administrative fines (up to \$2,500 per violation) subpoena power, audit power, and the ability to seek restitution or injunctive relief in court. (19:41)
- Cannot revoke professional licenses; such matters are referred to DRE or the Division of Professional Licensing (“DOPL”). (24:38)
- DRE:
 - Functions as the licensing authority for the industry. (34:31)
 - Focuses primarily on the fiduciary relationship between property managers and property owners. (37:46)

3. Key Discussion Points

- Areas of Overlap:
 - The primary overlap occurs in deceptive advertising and misrepresentations made to consumers. (27:50)
 - While DRE focuses on fiduciary duties to owners, DCP addresses harm to tenants (consumers) resulting from deceptive business practices. (38:18)
- Common Consumer Complaints:
 - DCP noted a rise in property management complaints, primarily involving apartment complexes. (13:47)
 - Key issues include unfairly withheld security deposits and mandatory fees not disclosed in initial advertised prices. (51:41)
 - A significant concern is the refusal to provide lease copies until non-refundable application or lease generation fees (ranging from \$300 to \$400) are paid. (29:52)
- Industry Perspectives (Commissioner Wilson):
 - There is a critical lack of property management-specific education and continuing education credits from regulators. (41:57)
 - Managing single-family homes with multiple individual owners is significantly more complex than managing single-owner apartment buildings due to trust account “bookmarking” and diverse owner requirements. (46:03)
 - Property managers often cannot control how third-party syndication sites (like Zillow) display property details, leading to misinformation about pet policies or fees. (53:01)
- Proposed Improvements:
 - Transitioning from reactive enforcement to proactive education and advisory letters, like recent efforts by DCP in the auto industry. (01:14:15)
 - Developing property management forms, potentially through a collaboration between DRE, the Attorney General’s Office, and industry associations, modeled after the existing “REPC” process. (02:03:52)

- Implementing an audit program focused on education and best practices rather than immediate sanctions, like the model used in Idaho. (01:04:57)
- Future Actions
 - DRE and DCP emphasized their commitment to information sharing and referral of cases when appropriate (e.g., DCP handling deceptive conduct and DRE following up with licensing consequences). (01:11:31)
 - Further meetings are planned with the Rental Housing Association, consumer groups, and legislators to refine the final report. (07:00)

4. Adjournment

- A motion was made to adjourn, which passed unanimously.

Meeting adjourned.

NEXT MEETING

June 10, 2026

2026 MONTHLY MEETING SCHEDULE

Jan 21	Feb 18	Mar 18	Apr 22	May 20	Jun 3 & Jun 10
Jul 15	Aug 19	Sept 23	Oct 21	Nov 17	Dec 15