Fraud Amendments

2027 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Doug Owens

Sponsor:

LONG TITLE

General Description:

This bill addresses provisions related to fraud.

Highlighted Provisions:

This bill:

- makes the civil cause of action currently existing for a violation of the offenses of identity fraud and communications fraud applicable to all offenses in Title 76, Chapter 6, Part 5, Fraud;
- clarifies that plaintiffs injured by an attempt, conspiracy, or solicitation of an offense in Title 76, Chapter 6, Part 5, Fraud may bring a civil cause of action against the perpetrator of the offense;
- adds damages that a plaintiff injured by an attempt, conspiracy, or solicitation of an offense in Title 76, Chapter 6, Part 5, Fraud may recover; and
- makes other technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

78B-2-305, as repealed and reenacted by Laws of Utah 2026, Chapter 307

RENUMBERS AND AMENDS:

76-6-501.2, (Renumbered from 78B-6-1701, as last amended by Laws of Utah 2025, Chapter 173)

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

Section 1. Section **76-6-501.2**, which is renumbered from Section 78B-6-1701 is renumbered and amended to read:

[~~78B-6-1701~~] 76-6-501.2 . Civil cause of action for violation of part.

(1)(a) [~~A petitioner~~] An individual, or the heirs of a deceased individual, who has been injured by a violation [~~of Section 76-6-1102, Identity Fraud, or Section 76-6-525, Communications Fraud~~] under this part, may [~~recover from the perpetrator:~~] bring an action against the defendant who committed the violation.

(b) An individual is injured by a violation of this part and is eligible to bring an action under Subsection (1)(a) if the defendant:

(i) completes the violation;

(ii) attempts to commit the violation in accordance with Section 76-4-101;

(iii) conspires to commit the violation in accordance with Section 76-4-201; or

(iv) solicits another individual to commit the violation in Section 76-4-203 or 76-4-205.

(2) Subject to Subsection (4)(b), if in the action described in Subsection (1) the factfinder finds by a preponderance of the evidence that the defendant has committed a violation under this part, the court shall:

(a) enjoin the defendant from a continued violation; and

(b) if the plaintiff establishes that the violation has injured the plaintiff, award to the plaintiff, subject to Subsections (3):

(i)(A) [~~compensatory~~] for a cause of action based on Subsection (1)(b)(i), damages in the amount of $1,000 or up to three times the amount of actual damages, whichever is greater; or

(B) for a cause of action based on Subsection (1)(b)(ii) through (iv), damages in the amount of three times the value of the property, money, or thing sought to be obtained by the defendant from the plaintiff through a violation under this part or up to three times the amount of actual damages, whichever is greater;

[~~(b)~~] (ii) reasonable attorney fees; and

[~~(c)~~] (iii) court costs.

[~~(2)~~] (3)(a) Actual damages described in Subsection (2)(b) may include:

[~~(a)~~] (i) replacement or reissuance costs for checks and any personal identification documents;

[~~(b)~~] (ii) the value of the [~~petitioner's~~] plaintiff's time spent:

[~~(i)~~] (A) repairing [~~their~~] the plaintiff's credit history or rating; and

[~~(ii)~~] (B) attending civil or administrative hearings necessary to resolve any debt, lien, or other obligation arising from the [~~offense~~] violation;

[~~(c)~~] (iii) lost wages; and

[~~(d)~~] (iv) any other verifiable costs the court may choose to include.

[~~(3) The court may award punitive damages in addition to compensatory damages.~~]

(b) If restitution was ordered in the underlying criminal action, the court shall deduct the amount of restitution ordered in the criminal action from any damages awarded under Subsection (2)(b).

(4)(a) [~~A perpetrator who is not tried or found not guilty of a violation of Section 76-6-1102, Identity Fraud, or Section 76-6-525, Communications Fraud, may be found liable under this section if the court finds by a preponderance of the evidence that the perpetrator participated in a violation and the petitioner was injured as a result.~~] If an actor at a criminal trial is found not guilty of a violation of an offense under this part, or the actor is not criminally charged or criminally tried for a violation under this part, the not guilty verdict or the failure to bring charges or a criminal trial does not preclude a court from finding that the actor is liable under Subsection (2).

[~~(5)(b) If restitution was ordered in the criminal action, the amount ordered shall be deducted from any damages awarded under this section.~~]

[~~(a)~~] (b) [~~A perpetrator who~~] A court shall find an actor liable under this section for a violation under this part if the actor is found guilty of [~~a~~] the violation [~~of Section 76-6-1102, Identity Fraud, or Section 76-6-525, Communications Fraud, shall be found liable under this section~~] at a criminal trial.

Section 2. Section **78B-2-305** is amended to read:

78B-2-305 . Actions with a statute of limitations of three years -- Exceptions.

(1)(a) Except as otherwise provided in this Subsection (1), an action may only be brought within three years:

(i) for waste, trespass upon, or injury to real property;

(ii) for taking, detaining, or injuring personal property, including actions for specific recovery;

(iii) for relief on the ground of fraud or mistake;

(iv) for liability created by statutes of this state other than for a penalty or forfeiture under the laws of this state; or

(v) to enforce liability imposed by Section 78B-3-603 or for damages under Section [~~78B-6-1701~~] 76-6-501.2.

(b) An action under Subsection (1)(a)(i) does not accrue until the discovery by the aggrieved party of the facts constituting the waste or trespass if the waste or trespass is committed by means of underground works upon any mining claim.

(c)(i) An action described in Subsection (1)(a)(ii) does not accrue until the owner has actual knowledge of facts that would put a reasonable person upon inquiry as to the possession of the animal by the defendant if:

(A) the subject of the action is a domestic animal usually included in the term "livestock" which at the time of the animal's loss has a recorded mark or brand; and

(B) the animal strayed or was stolen from the true owner without the owner's fault.

(ii) An action described in Subsection (1)(a)(ii) may be brought within four years in accordance with Subsection 78B-2-307(3) for a claim involving damage to personal property from an accident involving a motor vehicle, as defined in Section 41-6a-102, including an accident involving a motor vehicle and bicycle.

(d) An action described in Subsection (1)(a)(iii) does not accrue until the discovery by the aggrieved party of the facts constituting the fraud or mistake.

(e) For an action described in Subsection (1)(a)(iv), the three-year limitation period does not apply if there is a different limitation period provided by the Utah Code.

(f) An action described in Subsection (1)(a)(v) does not accrue until the aggrieved party knows or reasonably should know of the harm suffered.

(2)(a) As used in this Subsection (2):

(i) "Client" means the same as that term is defined in Section 78A-9-103.

(ii) "Unauthorized practice of law" means the same as that term is defined in Section 78A-9-103.

(b)(i) The Board of Commissioners for the Utah State Bar may only bring an action for the unauthorized practice of law described in Subsection 78B-9-103(4) within three years after the day on which the person engaged in the unauthorized practice of law.

(ii) If a person engages in continuous conduct that constitutes the unauthorized practice of law, the day on which the limitation period described in Subsection (2)(b)(i) begins when the person ceases to engage in the unauthorized practice of law.

(c) A client may only bring an action for the unauthorized practice of law described in Subsection 78B-9-103(5) within three years after the day on which the client discovers, or through the use of reasonable diligence should have discovered, that the person engaged in the unauthorized practice of law.

Section 3. **Effective Date.**

<u>This bill takes effect on May 5, 2027.</u>