R156. Commerce, Occupational and Professional Licensing.
R156-38a-101. Title.

This rule is known as the "Residence Lien Restriction and Lien Recovery Fund Act Rule."

R156-38a-102. Definitions.

In addition to the definitions in Title 38, Chapter 11, Residence Lien Restriction and Lien Recovery Fund Act; Title 58, Chapter 1, Division of Occupational and Professional Licensing Act; and Rule R156-1, General Rule of the Division of Occupational and Professional Licensing, which shall apply to this rule, as used in this rule:

(1) "Affidavit", as required by Subsection 38-11-110(2)(a), means a form affidavit approved by the Division that establishes the following:

(a) the applicant is an owner as defined in Subsection 38-11-102(17);
(b) the residence is an owner-occupied residence as defined in Subsection 38-11-102(18);
(c) the amount of the general contract as defined in Subsection 38-11-107(1)(b)(i)(B) and clarified in Subsection R156-38a-102(14);
(d) the original contractor as defined in Subsection 38-11-102(16);
(e) the location of the residence; and
(f) any other information necessary to establish eligibility for the issuance of a certificate of compliance under Subsection 38-11-110(2)(a), as determined by the Division.

(2) "Affidavit of Compliance" means the affidavit submitted by the owner seeking issuance of a certificate of compliance under Subsection 38-11-110(1)(a)(ii).

(3) "Applicant" means either a claimant, as defined in Subsection (4), or a homeowner, as defined in Subsection (8), who submits an application for a certificate of compliance.

(4) "Claimant" means a person who submits an application or claim for payment from the fund.

(5) "Construction project", as used in Subsection 38-11-203(4), means all qualified services related to the written contract required by Subsection 38-11-204(4)(a).

(6) "Contracting entity" means an original contractor, a factory built housing retailer, or a real estate developer that contracts with a homeowner.

(7) "During the construction", as used in Subsection 38-11-204(1)(c)(ii), means beginning at the time the claimant first provides qualified services and throughout the time frame the claimant provides qualified services.

(8) "Homeowner" means the owner of an owner-occupied residence.

(9) "Licensed or exempt from licensure", as used in Subsection 38-11-204(4) means that, on the date the written contract was entered into, the contractor held a valid, active license issued by the Division pursuant to Title 58, Chapter 55 of the Utah Code in any classification or met any of the exemptions to licensure given in Title 58, Chapters 1 and 55.

(10) "Necessary party" includes the Division, on behalf of the fund, and the applicant.
(11) "Owner", as defined in Subsection 38-11-102(17), does not include any person or developer who builds residences that are offered for sale to the public.

(12) "Permissive party" includes:
(a) with respect to claims for payment: the nonpaying party, the homeowner, and any entity who may be required to reimburse the fund if a claimant's claim is paid from the fund;
(b) with respect to an application for a certificate of compliance: the original contractor and any entity who has demanded from the homeowner payment for qualified services.

(13) "Qualified services", as used in Subsection 38-11-102(20) do not include:
(a) services provided by the claimant to cure a breach of the contract between the claimant and the nonpaying party; or
(b) services provided by the claimant under a warranty or similar arrangement.

(14) "Totals no more", as used in Subsection 38-11-107(1)(b)(ii)(A), means the inclusion of all changes or additions.

(15) "Written contract", as used in Subsection 38-11-204(4)(a)(i), means one or more documents for the same construction project which collectively contain all of the following:
(a) an offer or agreement conveyed for qualified services that will be performed in the future;
(b) an acceptance of the offer or agreement conveyed prior to the commencement of any qualified services; and
(c) identification of the residence, the parties to the agreement, the qualified services that are to be performed, and an amount to be paid for the qualified services that will be performed.

R156-38a-103a. Authority - Purpose - Organization.
(1) This rule is adopted by the Division under the authority of Section 38-11-103 to enable the Division to administer Title 38, Chapter 11, the Residence Lien Restriction and Lien Recovery Fund Act.

(2) The organization of this rule is patterned after the organization of Title 38, Chapter 11.

R156-38a-103b. Duties, Functions, and Responsibilities of the Division.
The duties, functions and responsibilities of the Division with respect to the administration of Title 38, Chapter 11, shall, to the extent applicable and not in conflict with the Act or this rule, be in accordance with Section 58-1-106.

R156-38a-104. Board.
Board meetings shall comply with the requirements set forth in Section R156-1-205.

R156-38a-105a. Adjudicative Proceedings.
(1) The classification of adjudicative proceedings initiated under Title 38, Chapter 11 is set forth at Sections R156-46b-201 and R156-46b-202.

(2) The identity and role of presiding officers for adjudicative
proceedings initiated under Title 38, Chapter 11, is set forth in Sections 58-1-109 and R156-1-109.

(3) Issuance of investigative subpoenas under Title 38, Chapter 11 shall be in accordance with Subsection R156-1-110.

(4) Adjudicative proceedings initiated under Title 38, Chapter 11, shall be conducted in accordance with Title 63G, Chapter 4, Utah Administrative Procedures Act, and Rules R151-46b and R156-46b, Utah Administrative Procedures Act Rules for the Department of Commerce and the Division of Occupational and Professional Licensing, respectively, except as otherwise provided by Title 38, Chapter 11 or this rule.

(5) Claims for payment and applications for a certificate of compliance shall be filed with the Division and served upon all necessary and permissive parties.

(6) Service of claims, applications for a certificate of compliance, or other pleadings by mail to a qualified beneficiary of the fund addressed to the address shown on the Division's records with a certificate of service as required by R151-46b-8, shall constitute proper service. It shall be the responsibility of each applicant or registrant to maintain a current address with the Division.

(7) A permissive party is required to file a response to a claim or application for certificate of compliance within 30 days of notification by the Division of the filing of the claim or application for certificate of compliance, to perfect the party's right to participate in the adjudicative proceeding to adjudicate the claim or application. The response of a permissive party seeking to dispute an owner's affidavit of compliance shall clearly state the basis for the dispute.

(8)(a) For claims wherein the claimant has had judgment entered against the nonpaying party, findings of fact and conclusions of law entered by a civil court or state agency submitted in support of or in opposition to a claim against the fund shall not be subject to readjudication in an adjudicative proceeding to adjudicate the claim.

(b) For claims wherein the nonpaying party's bankruptcy filing precluded the claimant from having judgment entered against the nonpaying party, a claim or issue resolved by a prior judgment, order, findings of fact, or conclusions of law entered in by a civil court or a state agency submitted in support of or in opposition to a claim against the fund shall not be subject to readjudication with respect to the parties to the judgment, order, findings of fact, or conclusions of law.

(9) A party to the adjudication of a claim against the fund may be granted a stay of the adjudicative proceeding during the pendency of a judicial appeal of a judgment entered by a civil court or the administrative or judicial appeal of an order entered by an administrative agency provided:

(a) the administrative or judicial appeal is directly related to the adjudication of the claim; and

(b) the request for the stay of proceedings is filed with the presiding officer conducting the adjudicative proceeding and concurrently served upon all parties to the adjudicative proceeding, no later than the deadline for filing the appeal.

(10) Notice pursuant to Subsection 38-1a-701(6)(f) shall be
accomplished by sending a copy of the Division's order by first class, postage paid United States Postal Service mail to each lien claimant listed on the application for certificate of compliance. The address for the lien claimant shall be:

(a) if the lien claimant is a licensee of the Division or a registrant of the fund, the notice shall be mailed to the current mailing address shown on the Division's records; or
(b) if the lien claimant is not a licensee of the Division or a registrant of the fund, the notice shall be mailed to the registered agent address shown on the records of the Division of Corporations and Commercial Code.


(1)(a) A written notice of denial of a claim or certificate of compliance shall be provided to an applicant who submits a complete application if the Division determines that the application does not meet the requirements of Section 38-11-204 or Subsection 38-11-110(1)(a), respectively.

(b) A written notice of incomplete application shall be provided to an applicant who submits an incomplete application. The notice shall advise the applicant that the application is incomplete and that the application will be denied, unless the applicant corrects the deficiencies within the time period specified in the notice and the application otherwise meets all qualifications for approval.

(2) An applicant may upon written request receive a single 30 day extension of the time period specified in the notice of incomplete application.

(3) (a) A claimant may for any reason be granted a single request for prolonged status;

(b) A homeowner seeking issuance of a certificate of compliance may be granted prolonged status if the homeowner submits a written request documenting that the homeowner:

(i) can be reasonably expected to complete the application if an additional extension is granted; or
(ii) has filed a pending action in small claims or district court to resolve a dispute of the affidavit of compliance.

(c) An application under (3)(a) or (3)(b) that is granted prolonged status shall be inactive for a period of one year or until reactivated by the applicant, whichever comes first.

(d) At the end of the one year period, the applicant under (3)(a) or (3)(b) shall be required to either complete the application or demonstrate reasonable cause for prolonged status to be renewed for another one year period. The following shall constitute valid causes for renewing prolonged status:

(i) continuing litigation the outcome of which will affect whether the applicant can demonstrate compliance with Section 38-11-110 or 38-11-204;
(ii) ongoing bankruptcy proceedings involving the nonpaying party or contracting entity that would prevent the applicant from complying with Section 38-11-204;
(iii) continuing compliance by the nonpaying party with a payment agreement between the claimant and the nonpaying party; or
(iv) other reasonable cause as determined by the presiding officer.

(e) Upon expiration of the one year prolonged status of an application, the Division shall issue to the applicant an updated notice of incomplete application pursuant to subsection (1)(b). Included with that notice shall be a form that provides the applicant an opportunity to:

(i) reactivate the application;
(ii) withdraw the application; or
(iii) request prolonged status be renewed pursuant to subsection (3)(d).

(f) A request for renewal of prolonged status made under subsection (3)(d) shall include evidence sufficient to demonstrate the validity of the reasons given as justification for renewal.

(g) If an applicant's request for prolonged status or renewal of prolonged status is denied, the applicant may request agency review.

(h) An application which has been reactivated from prolonged status may not be again prolonged unless the applicant can establish compliance with the requirements of subsection (3)(d).


The provisions of subsection 38-11-107(1)(b) shall apply only to general contracts entered into after May 10, 2010.

R156-38a-108. Notification of Rights under Title 38, Chapter 11.

A notice in substantially the following form shall prominently appear in an easy-to-read type style and size in every contract between an original contractor and homeowner and in every notice of intent to hold and claim lien filed under Section 38-1a-502 against a homeowner or against an owner-occupied residence:

"X. PROTECTION AGAINST LIENS AND CIVIL ACTION. Notice is hereby provided in accordance with Section 38-11-108 of the Utah Code that under Utah law an "owner" may be protected against liens being maintained against an "owner-occupied residence" and from other civil action being maintained to recover monies owed for "qualified services" performed or provided by suppliers and subcontractors as a part of this contract, if either section (1) or (2) is met:

(1)(a) the owner entered into a written contract with an original contractor, a factory built housing retailer, or a real estate developer;

(b) the original contractor was properly licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act at the time the contract was executed; and

(c) the owner paid in full the contracting entity in accordance with the written contract and any written or oral amendments to the contract; or

(2) the amount of the general contract between the owner and the original contractor totals no more than $5,000."

(3) An owner who can establish compliance with either section (1) or (2) may perfect the owner's protection by applying for a Certificate of Compliance with the Division of Occupational and Professional Licensing. The application is available at www.dopl.utah.gov/rlrf.
R156-38a-109. Format for Instruction and Form Required under Subsection 38-1a-701(6).

The instructions and form required under Subsection 38-1a-701(6) shall be the Homeowner's Application for Certificate of Compliance prepared by the Division.

R156-38a-110a. Applications by Homeowners seeking issuance of Certificate of Compliance under Subsection 38-11-110(1)(a)(i) - Supporting Documents and Information.

The following supporting documents shall, at a minimum, accompany each homeowner application for a certificate of compliance seeking protection under Subsection 38-11-110(1)(a)(i):

1. A copy of the written contract between the homeowner and the contracting entity;
2. (a) If the homeowner contracted with an original contractor, documentation issued by the Division that the original contractor was licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act, on the date the contract was entered into;
   (i) If the homeowner contracted with a real estate developer:
      (a) A copy of the contract between the real estate developer and the licensed contractor with whom the real estate developer contracted for construction of the residence or other credible evidence showing the existence of such a contract and setting forth a description of the services provided to the real estate developer by the contractor;
      (ii) Credible evidence that the real estate developer offered the residence for sale to the public; and
      (iii) Documentation issued by the Division that the contractor with whom the real estate developer contracted for construction of the residence was licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act, on the date the contract was entered into;
   (b) If the real estate developer is a licensed contractor under Title 58, Chapter 55, Utah Construction Trades Licensing Act, who engages in the construction of a residence that is offered for sale to the public:
      (i) A copy of the contract between the homeowner and the contractor real estate developer;
      (ii) Credible evidence that the contractor real estate developer offered the residence for sale to the public; and
      (iii) Documentation issued by the Division showing that the contractor real estate developer with whom the homeowner contracted for construction of the residence was licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act, on the date the contract was entered into;
   (c) If the homeowner contracted with a manufactured housing retailer, a copy of the completed retail purchase contract;
3. One of the following:
   (a) Except as provided in Subsection (7), an affidavit from the contracting entity acknowledging that the homeowner paid the contracting entity in full in accordance with the written contract and any amendments to the contract; or
(b) other credible evidence establishing that the homeowner paid the contracting entity in full in accordance with the written contract and any amendments to the contract; and

(4) credible evidence establishing ownership of the incident residence on the date the written contract between the owner and the contracting entity was entered;

(5) one of the following:
(a) a copy of the certificate of occupancy issued by the local government entity having jurisdiction over the incident residence;
(b) if no occupancy permit was required by the local government entity but a final inspection was required, a copy of the final inspection approval issued by the local government entity; or
(c) if neither Subsection (5)(a) nor (b) applies, an affidavit from the homeowner or other credible evidence establishing the date on which the original contractor substantially completed the written contract;

(6)(a) an affidavit from the homeowner establishing that the residence is an owner-occupied residence as defined in Subsection 38-11-102(18); or
(b) other credible evidence establishing that the residence if an owner-occupied residence as defined in Subsection 38-11-102(18).

(7) If any of the following apply, the affidavit described in Subsection (3)(a) shall not be accepted as evidence of payment in full unless that affidavit is accompanied by independent, credible evidence substantiating the statements made in the affidavit:
(a) the affiant is the homeowner;
(b) the homeowner is an owner, member, partner, shareholder, employee, or qualifier of the contracting entity;
(c) the homeowner has a familial relationship with an owner, member, partner, shareholder, employee, or qualifier of the contracting entity;
(d) the homeowner has a familial relationship with the affiant;
(e) an owner, member, partner, shareholder, employee, or qualifier of the contracting entity is also an owner, member, partner, shareholder, employee, or qualifier of the homeowner;
(f) the contracting entity is an owner, member, partner, shareholder, employee, or qualifier of the homeowner; or
(g) the affiant stands to benefit in any way from approval of the claim or application for certificate of compliance.

The following supporting documents shall, at a minimum, accompany each homeowner application for a certificate of compliance seeking protection under Subsection 38-11-110(1)(a)(ii):
(1)(a) the original affidavit of compliance; and
(b) a list of known subcontractors who provided service, labor, or materials under the general contractor.

(2) When an affidavit of compliance is disputed, the owner must submit evidence demonstrating compliance with the requirements specified in Subsection 38-11-110(2)(c)(ii).

R156-38a-203. Limitation on Payment of Claims.
(1) Claims may be paid prior to the pro-rata adjustment required by Subsection 38-11-203(4)(b) if the Division determines that a pro-rata payment will likely not be required.

(2) If any claims have been paid before the Division determines a pro-rata payment will likely be required, the Division will notify the claimants of the likely adjustment and that the claimants will be required to reimburse the Division when the final pro-rata amounts are determined.

(3) The pro-rata payment amount required by Subsection 38-11-203(4)(b) shall be calculated as follows:

(a) determine the total claim amount each claimant would be entitled to without consideration of the limit set in Subsection 38-11-203(4)(b);

(b) sum the amounts each claimant would be entitled to without consideration of the limit to determine the total amount payable to all claimants without consideration of the limit;

(c) divide the limit amount by the total amount payable to all claimants without consideration of the limit to find the claim allocation ratio; and

(d) for each claim, multiply the total claim amount without consideration of the limit by the claim allocation ratio to find the net payment for each claim.

R156-38a-204a. Claims Against the Fund by Nonlaborers - Supporting Documents and Information.

The following supporting documents shall, at a minimum, accompany each nonlaborer claim for recovery from the fund:

(1) one of the following:

(a) a copy of the certificate of compliance issued by the Division establishing that the owner is in compliance with Subsection 38-11-204(4)(a) and (b) for the residence at issue in the claim;

(b) the documents required in Section R156-38a-110a; or

(c) a copy of a civil judgment containing findings of fact that:

(i) the homeowner entered a written contract in compliance with Subsection 38-11-204(4)(a);

(ii) the contracting entity was licensed or exempt from licensure under Title 58, Chapter 55, Utah Construction Trades Licensing Act;

(iii) the homeowner paid the contracting entity in full in accordance with the written contract and any amendments to the contract; and

(iv) the homeowner is an owner as defined in Subsection 38-11-102(17) and the residence is an owner-occupied residence as defined in Subsection 38-11-102(18);

(2) if the applicant recorded a notice of claim under Section 38-1a-502, a copy of that notice establishing the date that notice was filed.

(3) one of the following as applicable:

(a) a copy of an action date stamped by a court of competent jurisdiction filed by the claimant against the nonpaying party to recover monies owed for qualified services performed on the owner-occupied residence; or

(b) documentation that a bankruptcy filing by the nonpaying party prevented the claimant from satisfying Subsection (a);
(4) one of the following:
(a) a copy of a civil judgment entered in favor of the claimant against the nonpaying party containing a finding that the nonpaying party failed to pay the claimant pursuant to their contract; or
(b) documentation that a bankruptcy filing by the nonpaying party prevented the claimant from obtaining a civil judgment, including a copy of the proof of claim filed by the claimant with the bankruptcy court, together with credible evidence establishing that the nonpaying party failed to pay the claimant pursuant to their contract;

(5) one or more of the following as applicable:
(a) a copy of a supplemental order issued following the civil judgment entered in favor of the claimant and a copy of the return of service of the supplemental order indicating either that service was accomplished on the nonpaying party or that said nonpaying party could not be located or served;
(b) a writ of execution issued if any assets are identified through the supplemental order or other process, which have sufficient value to reasonably justify the expenditure of costs and legal fees which would be incurred in preparing, issuing, and serving execution papers and in holding an execution sale; or
(c) documentation that a bankruptcy filing or other action by the nonpaying party prevented the claimant from satisfying Subparagraphs (a) and (b);

(6) certification that the claimant is not entitled to reimbursement from any other person at the time the claim is filed and that the claimant will immediately notify the presiding officer if the claimant becomes entitled to reimbursement from any other person after the date the claim is filed; and

(7) one or more of the following:
(a) a copy of invoices setting forth a description of, the location of, the performance dates of, and the value of the qualified services claimed;
(b) a copy of a civil judgment containing a finding setting forth a description of, the location of, the performance dates of, and the value of the qualified services claimed; or
(c) credible evidence setting forth a description of, the location of, the performance dates of, and the value of the qualified services claimed.

(8) If the claimant is requesting payment of costs and attorney fees other than those specifically enumerated in the judgment against the nonpaying party, the claim shall include documentation of those costs and fees adequate for the Division to apply the requirements set forth in Section R156-38a-204d.

(9) In claims in which the presiding officer determines that the claimant has made a reasonable but unsuccessful effort to produce all documentation specified under this rule to satisfy any requirement to recover from the fund, the presiding officer may elect to accept the evidence submitted by the claimant if the requirements to recover from the fund can be established by that evidence.

(10) A separate claim must be filed for each residence and a separate filing fee must be paid for each claim.
(1) The following supporting documents shall, at a minimum, accompany each laborer claim for recovery from the fund:
   (a) one of the following:
      (i) a copy of a wage claim assignment filed with the Employment Standards Bureau of the Antidiscrimination and Labor Division of the Labor Commission of Utah for the amount of the claim, together with all supporting documents submitted in conjunction therewith; or
      (ii) a copy of an action filed by claimant against claimant's employer to recover wages owed;
   (b) one of the following:
      (i) a copy of a final administrative order for payment issued by the Employment Standards Bureau of the Antidiscrimination and Labor Division of the Labor Commission of Utah containing a finding that the claimant is an employee and that the claimant has not been paid wages due for work performed at the site of construction on an owner-occupied residence;
      (ii) a copy of a civil judgment entered in favor of claimant against the employer containing a finding that the employer failed to pay the claimant wages due for work performed at the site of construction on an owner-occupied residence; or
      (iii) a copy of a bankruptcy filing by the employer which prevented the entry of an order or a judgment against the employer;
   (c) one of the following:
      (i) a copy of the certificate of compliance issued by the Division establishing that the owner is in compliance with Subsection 38-11-204(4)(a) and (b) for the residence at issue in the claim;
      (ii) an affidavit from the homeowner establishing that he is an owner as defined in Subsection 38-11-102(17) and that the residence is an owner-occupied residence as defined by Subsection 38-11-102(18);
      (iii) a copy of a civil judgment containing a finding that the homeowner is an owner as defined by Subsection 38-11-102(17) and that the residence is an owner-occupied residence as defined by Subsection 38-11-102(18); or
      (iv) other credible evidence establishing that the owner is an owner as defined by Subsection 38-11-102(17) and that the residence is an owner-occupied residence as defined by Subsection 38-11-102(18).

(2) When a laborer makes claim on multiple residences as a result of a single incident of nonpayment by the same employer, the Division must require payment of at least one application fee required under Section 38-11-204(1)(b) and at least one registration fee required under Subsection 38-11-204(7), but may waive additional application and registration fees for claims for the additional residences, where no legitimate purpose would be served by requiring separate filings.

R156-38a-204c. Calculation of Costs, Attorney Fees and Interest for Payable Claims.

(1) Payment for qualified services, costs, attorney fees, and interest shall be made as specified in Section 38-11-203.

(2) When a claimant provides qualified service on multiple properties, irrespective of whether those properties are owner-occupied residences, and files claim for payment on some or all of those properties and the claims are supported by a single judgment or other common documentation and the judgment or
documentation does not differentiate costs and attorney fees by property, the amount of costs and attorney fees shall be allocated among the related properties using the following formula: (Qualified services attributable to the owner-occupied residence at issue in the claim divided by Total qualified services awarded as judgment principal or total documented qualified services) x Total costs or total attorney fees.

(3)(a) For claims wherein the claimant has had judgment entered against the nonpaying party, post-judgment costs shall be limited to those costs allowable by a district court, such as costs of service, garnishments, or executions, and shall not include postage, copy expenses, telephone expenses, or other costs related to the preparation and filing of the claim application.

(b) For claims wherein the nonpaying party's bankruptcy filing precluded the claimant from having judgment entered against the nonpaying party, total costs shall be limited to those costs that would have been allowable by the district court had judgment been entered, such as, but not limited to, costs of services, garnishments, or executions, and shall not include postage, copy expenses, telephone expenses, or other costs related to the preparation and filing of the claim application.

(4) The interest rate or rates applicable to a claim shall be the rate for the year or years in which payment for the qualified services was due.

(5) If the evidence submitted in fulfillment of Subsection R156-38a-204b(7) does not specify the date or dates upon which payment was due, the Division shall assume payment was due 30 calendar days after the date on which the claimant billed the nonpaying party for the qualified services.

(6) If the qualified services at issue in a claim were billed in two or more installments and payment was due on two or more dates, the claimant shall provide documentation sufficient for the Division to determine each payment due date and the attendant portion of qualified services for which payment was due on that date. If the claimant does not provide sufficient documentation, the Division shall assume the nonpaying party's debt accrued evenly throughout the period so an equal portion of the qualified services balance shall be applied to each billing installment.

(7) If a claimant receives partial payment for qualified services between the time judgment is entered and the claim is filed, the Division shall calculate payment amounts by accruing costs, attorney fees and interest to the date of the payment then reducing the individual balances of first interest, then costs, then attorney fees, and finally qualified services to a zero balance until the entire payment is applied. The Division shall then make payment of the remaining balances plus additional accrued interest on the remaining qualified services balance.

R156-38a-301a. Contractor Registration as a Qualified Beneficiary - All License Classifications Required to Register Unless Specifically Exempted - Exempted Classifications.

(1) All license classifications of contractors are determined to be regularly engaged in providing qualified services for purposes of automatic registration as a qualified beneficiary, as set forth
in Subsections 38-11-301(1) and (2), with the exception of the following license classifications:

TABLE II

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<thead>
<tr>
<th>Primary Classification Number</th>
<th>Subclassification Number</th>
<th>Classification</th>
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<tbody>
<tr>
<td>E100</td>
<td>General Engineering Contractor</td>
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<td>P202</td>
<td>Boiler Installation Contractor</td>
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<td>P204</td>
<td>Industrial Piping Contractor</td>
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<td>S262</td>
<td>Gunnite and Pressure Grouting Contractor</td>
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<td>Steel Reinforcing Contractor</td>
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<td>Metal Building Erection Contractor</td>
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<td>General Mechanical Trades Instructor</td>
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R156-38a-301b. Event Necessitating Registration - Name Change by Qualified Beneficiary - Reorganization of Registrant's Business Type - Transferability of Registration.

(1) Any change in entity status by a registrant requires registration with the Fund by the new or surviving entity before that entity is a qualified beneficiary.

(2) The following constitute a change of entity status for purposes of Subsection (1):

(a) creation of a new legal entity as a successor or related-party entity of the registrant;

(b) change from one form of legal entity to another by the registrant; or

(c) merger or other similar transaction wherein the existing registrant is acquired by or assumed into another entity and no longer conducts business as its own legal entity.
(3) A qualified beneficiary registrant shall notify the Division in writing of a name change within 30 days of the change becoming effective. The notice shall provide the following:
   (a) the registrant's prior name;
   (b) the registrant's new name;
   (c) the registrant's registration number; and
   (d) proof of registration with the Division of Corporations and Commercial Code as required by state law.

(4) A registration shall not be transferred, lent, borrowed, sold, exchanged for consideration, assigned, or made available for use by any entity other than the registrant for any reason.

(5) A claimant shall not be considered a qualified beneficiary registrant merely by virtue of owning or being owned by an entity that is a qualified beneficiary.

R156-38a-401. Requirements for a Letter of Credit and/or Evidence of a Cash Deposit as Alternate Security for Mechanics' Lien.

To qualify as alternate security under Subsection 38-1a-804(2)(c)(i)(B) "evidence of a cash deposit" must be an account at a federally insured depository institution that is pledged to the protected party and is payable to the protected party upon the occurrence of specified conditions in a written agreement.

KEY: licensing, contractors, liens
Date of Last Change: August 21, 2018
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