



UTAH STATE SENATE

UTAH STATE CAPITOL • COMPLEX 320 STATE CAPITOL
P.O. BOX 145115 • SALT LAKE CITY, UTAH 84114-5515 • (801) 538-1035

February 12, 2026

Mr. President:

The Business and Labor Committee recommends **S.B. 196**, WRONGFUL LIEN ACT AMENDMENTS, by Senator D. L. Ipson, be replaced and reports a favorable recommendation on **1st Sub. S.B. 196**, WRONGFUL LIEN ACT AMENDMENTS with the following amendments:

Amendment 1

1 Line 6 through 13:

6 **Highlighted Provisions:**

7 This Bill:

8 #expands the definition of "wrongful lien";

9 #provides that if a notice of a { **reinvestment fee covenant or** } transfer fee covenant is
a

10 wrongful lien, the notice of a { **reinvestment fee covenant or** } transfer fee covenant is
11 invalid;

12 #provides additional filing requirements for a homeowner association that records a lien;

13 #provides that a county recorder is not required to determine whether a notice is a

2 Line 99 through 104:

99 (b) "Wrongful lien" includes:

100 (i) [] a document recorded in violation of Subsection 10-20-508(2)(d)[.];

101 (ii) a document that purports to be a notice of transfer fee covenant described in

102 Subsection { **57-1-46(7)(b)** } **57-1-46(7)** or Section 57-1-47 or a document that purports to
create,

Bill Number
SB0196S01

Action Class
S

Action Code
SCRSUBAMD

103 continue, or reestablish a transfer fee covenant as a lien or encumbrance on an
104 owner's interest in real property, if at the time the document was recorded the

3 *Line 105 through 111:*

105 transfer fee covenant was not enforceable due to the:
106 (A) foreclosure of a trust deed or mortgage that has priority over the transfer fee
107 covenant;
108 (B) { ~~document not being recorded in accordance with~~ } absence of a previously
recorded notice required by Subsection 57-1-46(7) or
109 Section 57-1-47; or
110 (C) existence of a recorded rescission, termination, release, waiver, or other
111 document terminating the transfer fee covenant; or

Respectfully,

Evan J. Vickers
Chair

Voting: 5-0-3