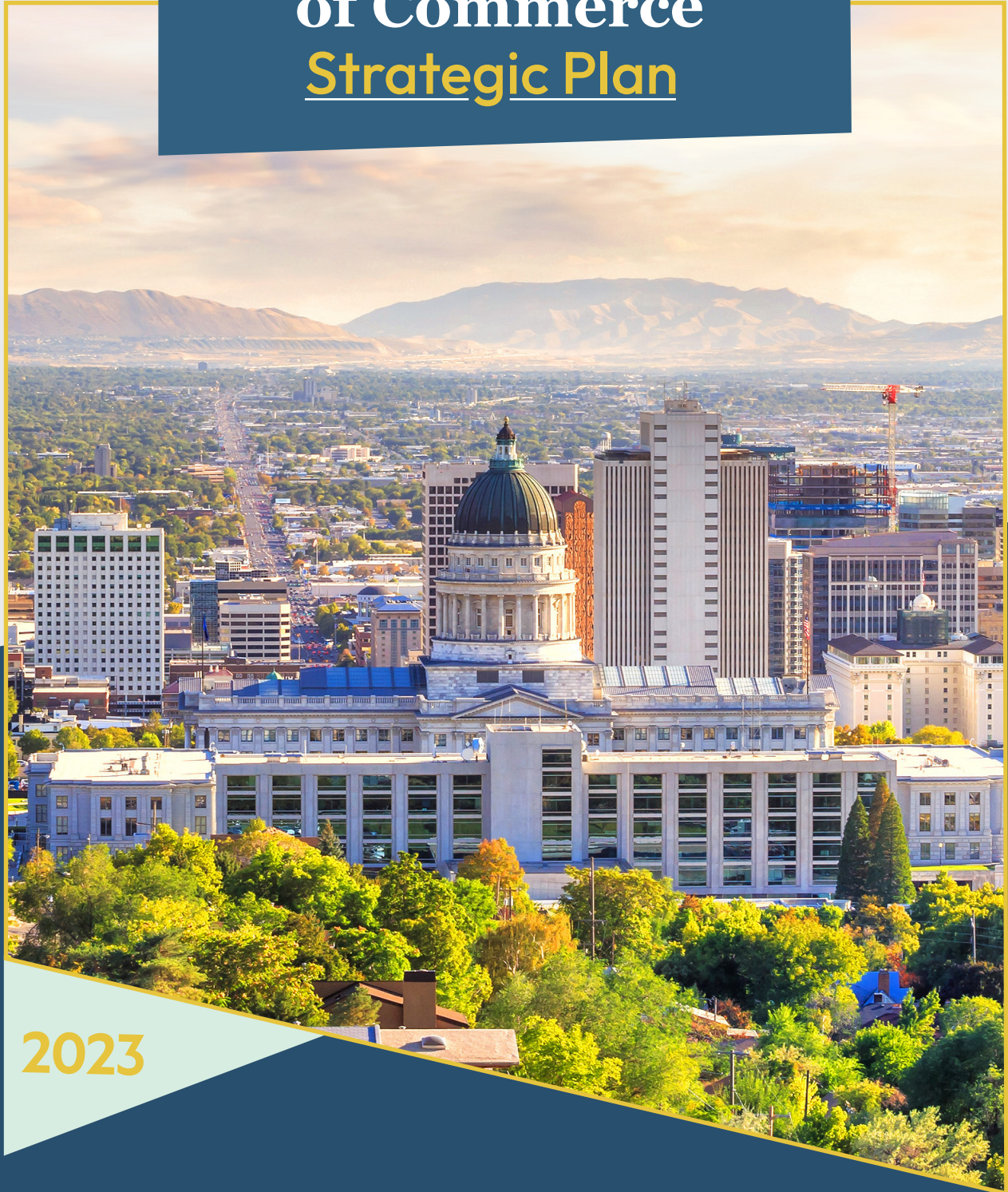


Utah Department of Commerce Strategic Plan



2023



UTAH DEPARTMENT
OF COMMERCE



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I firmly believe that strengthening trust in Utah's commercial activities through regulation, enforcement, and education is essential for the sustainable growth of our economy and the well-being of our communities.

– Margaret Busse

Executive Director

Message



Margaret Busse

Dear colleagues,

I am pleased to update you on our Department of Commerce's strategic plan. As you know, our department plays a critical role in regulating and overseeing Utah's professional and business community.

The Department's work is guided by our vision of Utah where commercial activities operate efficiently and fairly. To achieve this vision, the Department works toward strengthening trust in Utah's commercial activities through regulation, enforcement, and education.

The Department values trust and unity in guiding its actions and aligning its workforce to empower Utah's marketplace to create a space where customers can engage in trust and know that their best interests are being looked after.

To achieve these objectives, we have identified several priorities that we will focus on in the coming years. These priorities include improving the efficacy of consumer, licensee, and business education efforts; enhancing the user experience for both customers and employees; and increasing internal trust through communication and community building.

Our work is vital to Utah's economic growth, and we take our responsibilities seriously. As we implement these strategies, we will measure progress through various outcomes and key performance indicators to ensure that our efforts are making a positive impact.

Thank you to our Commerce team and their continued dedication to our mission. We look forward to working toward our vision for Utah's commercial activities.

Best regards,

Margaret Busse
Utah Department of Commerce

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Welcome to the Department of Commerce

The Department of Commerce is the licensing and registration agency for Utah's professional and business community. It was established in its current form in 1983 out of the previous Department of Business Regulation, which replaced the Utah Trade Commission in 1941. The Legislative Findings creating the Department recognize that businesses and professions are beneficial to Utah and note that the primary purpose of the Department's regulation is the general public interest.

We provide oversight of business registrations, trademarks, Uniform Commercial Code filings, occupational and professional licensing, consumer protection, public utilities, securities, real estate, and residential mortgage lending. We have statutory responsibilities for each of these purviews, including various combinations of advocacy, education, enforcement, and regulation.



Mission Vision & Values

At the Department of Commerce, we envision a Utah where commercial activities operate efficiently and fairly. Within our statutory responsibilities, we work toward this vision by strengthening trust in Utah's Commercial activities in three ways:

REGULATIONS

Facilitate reasonable, reliable, relevant licensing and regulation.

ENFORCEMENT

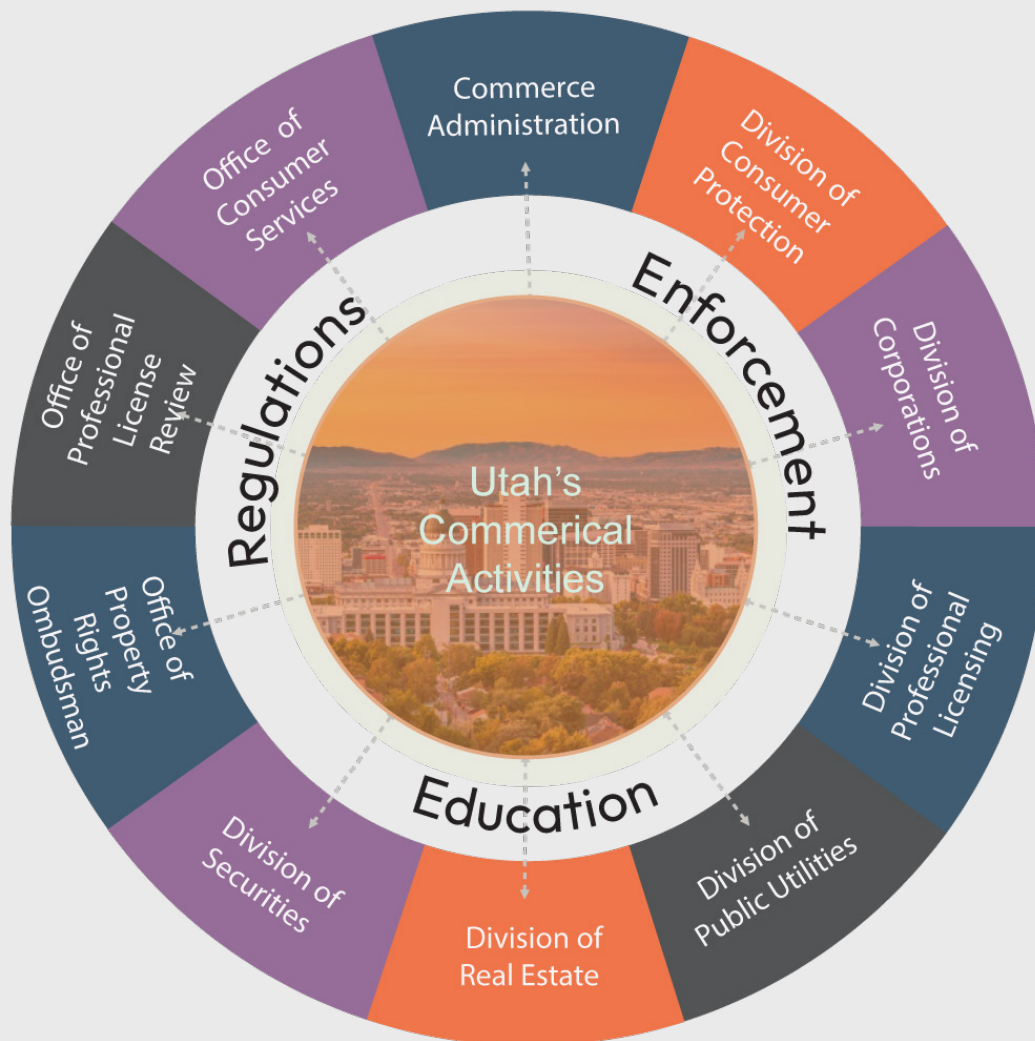
Enforce regulations fairly and effectively.

EDUCATION

Empower customers and the general public through education about conducting commercial activities safely and effectively.

As we have worked toward this vision and mission, we have used the core values of Trust and Unity to guide our actions. These values help us align our workforce and their amazing efforts to empower Utah's marketplace, creating a space where customers can trust and know that we are looking out for their best interests.

Division & Their Roles



Division of Consumer Protection

The Division of Consumer Protection (DCP) is responsible for protecting consumers in the state through education and impartial enforcement. DCP administers more than 25 Utah State Laws, including those related to business opportunities, charities, consumer sales practices, credit services, health spas, telephone fraud, and most recently social media and data privacy laws, among others. The Division works to stop deceptive and fraudulent business practices by investigating consumer complaints and where warranted, bringing enforcement actions. The Division also strives to educate consumers and businesses about the laws regulated by the division, and licensing or registering regulated entities.

Division of Corporations

The Division of Corporations and Commercial Code (DCCC) is responsible for registering all statutory business entities, state trademarks, and Article 9 lien notice filings. In addition, the Division records certain service of process and bankruptcy filings, as well as other less noticeable, but equally important filings. Businesses that register with the Division include profit and non-profit corporations, limited liability companies, limited partnerships, and more. The Division also files Uniform Commercial Code filings relative to Revised Article 9 and agricultural liens under the CFS filing guidelines. Although the Division provides many services, it is not an investigative nor enforcement agency and will not compel anyone to make statutorily required filings.

Division of Professional Licensing

The Division of Professional Licensing (DOPL) is responsible for administering and enforcing laws related to the licensing and regulation of various professions. They issue licenses in about 60 categories, each with multiple classifications. DOPL processes over 43,000 new applications and 109,000 renewal applications annually. The organization is divided into licensing and investigations, with several independent programs under its jurisdiction.

Division of Real Estate

Overall, the Division of Real Estate (DRE) plays a vital role in ensuring that Utah's real estate industry operates ethically and efficiently. With a mission to safeguard the public and promote responsible business practices through education, licensure, and regulation of real estate, mortgage, and appraisal professionals, the DRE is an essential component of Utah's real estate industry. The agency administers various Utah State Laws, including the Real Estate Licensing and Practices Act, the Real Estate Appraiser Licensing and Certification Act, the Appraisal Management Company Registration & Regulation Act, the Utah Residential Mortgage Practices & Licensing Act, the Timeshare and Camp Resort Act, and the Utah Uniform Land Sales Practices Act.

Division of Securities

The Division of Securities (SEC) is responsible for regulating the investment industry and enforcing securities laws in the state. Through the issuance of licenses to broker-dealers and investment advisers, the Division aims to ensure a level playing field and minimum standards of competence, training, and fair dealing among all agents and representatives doing business in Utah. Additionally, the Division seeks to educate and protect investors by providing information, resources, and tools to help them make informed decisions about investments, identify common scams, and research investment opportunities and sellers.

Division of Public Utilities

The Division of Public Utilities in Utah (DPU) ensures safe and reliable utility service at reasonable prices. It handles consumer complaints, monitors compliance with regulations, and is divided into five sections: Energy, Telecommunications, Water, Pipeline Safety, and Customer Service. Regulated utilities include electric power, natural gas, water, and sewer, as well as intrastate natural gas pipelines. Unregulated utilities include wireless phone services, cable and wireless internet, and fuel oil, propane, or gasoline.

Office of Consumer Services

The Office of Consumer Services in Utah (OCS) serves as the state's utility consumer advocate, representing the interests of residential, small commercial, and agricultural customers of natural gas, electric, and telephone services. Established in 1977 as the Committee of Consumer Services, the organization was reorganized in 2009 and is now led by a director appointed for a six-year term. The Committee of Consumer Services, a layperson board, advises the OCS and helps establish policy objectives. The OCS is also a member of NASUCA, a national organization of utility consumer advocates, to stay informed on consumer advocacy issues and improve their effectiveness in addressing local issues.

Office of Professional License Review

The Office of Professional License Review (OPLR) conducts regular, systematic, and objective reviews of regulated occupations in Utah to provide recommendations to legislators, industry, and licensed individuals on potential changes to licensing requirements. The agency aims to balance protecting the public's health, safety, and financial welfare with minimizing the burden for qualified individuals to practice their chosen occupations. OPLR prioritizes professions based on criteria used in the reviews and requires a data-informed sunrise review for all proposed occupational regulations prior to their introduction in the legislature. Factors considered in the review include harm to the public, demand in the economy, economic impact, regulation in other states, and the likely effects of different regulatory options.

Office of Property Rights Ombusman

The Office of the Property Rights Ombudsman (OPRO) is an independent, neutral office that safeguards the property rights of the citizens of Utah. OPRO provides assistance to citizens and government agencies in comprehending and adhering to property rights laws, resolving disputes, and advocating for fairness and balance when private rights clash with public needs. The Office offers various methods to help citizens and government officials with issues related to takings, eminent domain, and land use law, including education, negotiation, mediation, arbitration, and Advisory Opinions. OPRO's involvement helps minimize the impact of strong personal feelings, and it ensures an objective resolution for all parties involved.

Strategic Assessment

Utah is the national social capital leader. Our communities have tremendous levels of mutual support, cooperation, goodwill, fellowship, and civic virtue. This unique environment must be protected as one of Utah's greatest assets - but at times, that trust has gotten some of our citizens in trouble. Each year, millions of dollars (\$39 million reported in 2021) of hard-earned money from Utahns is lost through Ponzi schemes, unlicensed work, scams, and fraud. Each of these schemes is a blow to trust. Lack of trust in our commercial activities stunts Utah's ability to grow its economy.

Utah is disproportionately affected by trust-based scams that prey on our charitable giving, investor/savings mentality, and social capital:

- Top ten (on average) for business opportunity scams
- Highest per capita state on Ponzi schemes
- Eighth, for investment-related scams

These harms are perpetuated when no one speaks up, notices them for what they are, or understands the laws. The harm increases the longer the perpetrator goes before finding an informed Utahn. Education can empower people not to fall for things in the first place, regulating certain commercial activities helps to correct information asymmetry, and enforcement provides a method of removing the bad actors from the market and often allows for restitution to those harmed.



The Department of Commerce, structurally a small agency, has a wide and far-reaching purview. Through our statutory purview, we can address many areas where Utah's social capital is at the most risk. The work we do within the Department affects every Utah citizen daily, whether that be through their ability to heat and power their homes, seek healthcare, or operate or visit a business, etc. Daily, we work to ensure we do not act as a roadblock to these vital and daily interactions with the government. Instead, we strive to be present in the space we are needed with just the right amount of oversight to promote efficient and fair economic conditions that help grow Utah.

Sources

Federal Tax Commission (FTC)

<https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/FraudFacts>

Deseret News

<https://www.deseret.com/2019/4/29/20671965/does-utah-deserve-the-title-fraud-capital-of-the-united-states>





Strategic Objectives

Our efforts to achieve this balance center around three primary areas, our Critical Success Factors (CSF):

- Ensure regulation, enforcement, and education activities are effective, efficient, and relevant in a constantly changing and growing economy.
- Ensure management and system infrastructure are up-to-date and prepared to meet the challenges of continued economic growth.
- Strengthen and manage employee communication and Department culture.

These CSF act as the pillars of our strategic plan and create specific action areas where our teams can align their efforts to implement our strategic objectives and fulfill our mission successfully. By ensuring our work is moving the needle on one of these three factors, we are confident that we will positively impact Utah's commercial activities, bringing us closer to achieving our vision of an efficient and fair marketplace for Utah's commercial activities.

Each CSF is broken down into several themes, represented by Primary Objectives. Each objective sets us up to accomplish challenging, ambitious goals with measurable results. These objectives are intended as long-term targets that identify the future state we wish to achieve and allow us to institute the following mindsets into our short-term strategies while not losing track of the mission:

Focus	Objectives allow our team to rally behind carefully chosen priorities.	
Alignment	Objectives provide a method for our entire organization to align its goals at every layer with its top-level priorities and ultimate purpose as all work cascades from these themes.	
Commitment	Objectives demand a level of collective commitment from the parties involved to choose and stick to agreed-upon priorities.	
Tracking	Objectives allow our team to track their progress toward a goal and know earlier when to change tactics.	
Stretching	Objectives empower our teams to set goals that stretch beyond "business as usual" and make significant, meaningful changes.	

For each objective, the Department has identified priority strategies we will use to build efficiencies and practices that will help us achieve and measure these ambitious goals. Each CSF, Primary Objective, and corresponding strategy is identified and explained below. Quarterly milestones for each strategic implementation are identified in our annual work plans. Benchmarks and performance metrics will be introduced as strategies reach measurable stages of development.

Ensure regulation, enforcement, and education activities are effective, efficient, and relevant in a constantly changing and growing economy.

Focus Commerce resources to address concerns on social media for minors.

During the 2023 legislative session, two groundbreaking bills were passed that addressed the harm to minors caused by social media companies. Commerce is charged with the regulation and enforcement of both of these bills. We have set the following strategies to guide our implementation efforts:

★ STRATEGY

- Develop rules, processes, and procedures to execute and enforce the newly enacted social media statutes.
- Partner with the Governor's office and the Attorney General in proposed litigation against social media companies.
- Partner with sister agencies to educate the public on harms of social media.
- Evaluate new social media regulations against legislative intent and work with stakeholders to modify them if needed.
- Work with stakeholders to ensure the public is current on social media regulations, lawsuits, etc.

★ MEASUREMENT

Our current focus on this objective is on the first four strategies, as the new legislation has delayed effective and action dates. At this time, we will focus on output measures such as the number of consumers that submit complaints, share experiences, and provide input and comments that the Division will use to construct rules that are consistent with state and federal law. Additional outcome measures will be identified once rules are written and enforcement of the statute begins.



Improve the efficacy of consumer, licensee, and business education efforts to help them avoid fraud and/or licensee pitfalls.

As indicated previously, Utah is the national social capital leader. The Department has identified protecting this valuable community component as one of our primary responsibilities. Recognizing the limitations of regulation and enforcement, we have set out to increase educational efforts to avoid harm before it occurs. To accomplish that, we have set the following implementation strategies:



★ STRATEGY

- Conduct market research into where and to whom harms are targeted to inform educational and enforcement tactics.
- Launch reimagined communication campaign.
- Create a centralized online resource.
- Targeted outreach to businesses and service providers.

★ MEASUREMENT

We will measure the impact of these strategies through various outcomes throughout implementation and continue to monitor after the strategy implementation is complete via:

- Identify baseline awareness and routinely measure a change in knowledge of scams, ways to prevent harm, and Department and Division awareness as measured through market research.
- Track the rate of change in various scams as reported through the FTC, Commerce Enforcement Data, and other sources.

Review regulations to reduce unnecessary burdens on the public and increase relevancy.

Spurred by the Cox-Henderson Administration's first executive order, the Department has worked to integrate a continual review of the statutes and rules to ensure that regulations remain right-sized and relevant in today's fast-changing world. This is especially important because nearly 50% of Utah's workforce is regulated by the Department. Our priority strategies in this area are:

★ STRATEGY

- Upgrade regulatory framework, including but not limited to statute, rule, policy/process, to enable the workforce of the future and optimally balance safety and quality with supply and access for the public.
- Conduct systematic and substantive reviews of new rules and existing rules at regular intervals to ensure that rules are relevant, up-to-date, and appropriately balance regulatory burdens and public safety.



★ MEASUREMENT

We will measure the impact of these strategies through both outputs and outcomes as they move from implementation to steady state via:

- The number of licensees by profession, including geographic distribution, workforce, and market needs analysis.
- The number of complaints and enforcement actions by profession, including types and levels of harm.

Undertake effective utility rate and reliability advocacy and property dispute resolution within statutory missions in appropriate forums.

In addition to our licensing and enforcement roles, the Department plays a crucial role in effective utility rate and reliability advocacy and resolving property rights disputes. We are currently working toward two priority strategies in these areas:



★ STRATEGY

- Engage in relevant state, regional, and national forums to ensure the agency's and Utah's perspectives are represented, and the agency is aware of relevant issues in which it might engage.
- Grow the statewide training coordination program by establishing and strengthening stakeholder connections and relationships, assessing land use training and education needs, and creating appropriate training and resources for training and outreach.

Increase trust, effectiveness, and fairness in enforcement and auditing activities.

While we focus heavily on protecting the public from harm through education and regulation, the occurrence of public harm is still a reality. Ensuring the efficacy of our enforcement and auditing actions to dissuade bad actors from engaging in harmful activities and restore public trust by removing bad actors from the marketplace is essential to achieving our mission.

★ STRATEGY

- Ensure investigative resources are directed to address the areas where there is the most potential for harm.
- Develop methods to communicate investigative processes to respondents.
- Improve the investigative procedures and processes by:
 - Harmonizing enforcement activities across the divisions.
 - Developing a strong cross-collaboration structure.
 - Emphasizing the education of respondents as part of the enforcement process.

★ MEASUREMENT

We will measure the impact of these strategies through both outputs and outcomes as they move from implementation to steady state via:

- Number of complaint and enforcement actions by profession, including types and levels of harm.
- Track the rate of change in various scams as reported through the Federal Trade Commission (FTC), Commerce Enforcement Data, and other sources.

Build a proactive and strategic communication strategy.



Proactive strategies to educate the public not only provide an opportunity to reduce harm but they can also create opportunities. By sharing public information that Commerce holds in an open and strategic way, we can decrease information asymmetry and provide trusted data as a foundational piece of Utah's growing economy.

📌 STRATEGY

- Present Commerce related data externally in a compelling and usable way.
- Maintain focused communication and outreach coordination.
- Increase consumer engagement to better empower consumers.



📌 MEASUREMENT

We will measure the impact of these strategies through both outputs and outcomes as they move from implementation to steady state via:

- Identify baseline awareness and routinely measure the change in knowledge of scams, ways to prevent harm, and Department and Division awareness as measured through market research.
- Track engagement analytics of the Department's online and social media presence.

Ensure management and system infrastructure are up-to-date and prepared to meet the challenges of continued economic growth.

Enhance user experience (customer and employee).

Embracing the **“Recklessly Good”** concept, we seek ways to provide best-in-class customer service. Those efforts begin with creating user-friendly ways for our staff and customers to engage with each other.



★ STRATEGY

- Develop a shared enforcement system for SEC that also incorporates STRES licensing functions.
- Upgrade the DCCC OSBR customer interfaces and back office system to a single SAAS platform, including connecting business types with additional regulatory requirements.
- Upgrade customer interfaces for DCP, DOPL, and DRE application, renewal, and other online services to a single SAAS platform.
- Develop and implement division-level plans to collect and evaluate customer feedback.

★ MEASUREMENT

As these systems are put into place, we will measure their performance through:

- Customer engagement scores and feedback.
 - Online adoption rates across our various platforms.
 - Application quality statistics, such as time to process, incomplete applications, etc.
-

Improve the quality of the process.

Key to fulfilling our mission is quality processes. In addition to improving how we engage with our customers, we are working to ensure that we:

★ STRATEGY

- Develop and implement a comprehensive risk assessment strategy/procedure.
- Implement and/or improve quality assurances (i.e., implement mechanisms/checks to ensure quality goals are achieved on an ongoing basis).
- Leverage synergies and increase cooperation (One Commerce) by sharing best practices across functions.

★ MEASUREMENT

We will measure our impact in these areas via:

- Risk assessment scores.
- Quality assurance scores.
- Customer feedback and ratings.

Develop systems within the accounting team to make the best use of the department's available resources.



As a regulatory agency, it is important to be good stewards of the funds provided to us. As such, we have elected to focus on improving our accounting structure to provide an increased professional services that provide transparency and visibility in our decision-making process.

★ STRATEGY

- Identify and build an accounting reporting structure.
- Increase the analytical structure of the accounting team.
- Complete a full fee analysis and identify a structural solution for the future.



★ MEASUREMENT

At this time, we are focusing on building processes and procedures that will increase the transparency and accountability of our accounting system. Once those are in place, we will identify measures in key areas, determine benchmarks, and set improvement goals.

Refine management practices and systems.

The world is changing every day: the population is changing, customer trends are changing, technology is changing, and the economy is changing. Organizations that fail to embrace change can easily wind up as dinosaurs—out of touch and unable to service their customers under current conditions. Too often, Government falls into the trap of thinking they are immune from the need for organizational change because our customers don't have a "choice"; however, as Governor Cox has stated many times, we are determined to focus on doing the big things, the hard things that matter to provide the best government for Utahns. Our efforts to refine management practices and systems provides the foundation for that and is an important priority for us.

★ STRATEGY

- Identify and build internal dashboards, including collecting additional data.
- Offer meaningful skills building/training to employees that is responsive to work and technology needs, including internal training, subject matter training, career development, and cross-division employee training to develop and maintain subject matter expertise.
- Recruit and designate a diverse group of Utahns for gubernatorial-appointed positions, including boards and commissions, by increasing the diversity of our nominee pool.
- Develop board member training, including both onboarding and ongoing.
- Launch HB104 Performance Plan process that includes unified and clear instruction on expectations and metrics to all employees.
- Develop and implement a comprehensive plan for potential emergencies.
- Review and refresh internal department policies and procedures.





★ MEASUREMENT

As this objective is directed at our effectiveness in doing the work we are tasked with, we anticipate that impact will be reflected in many of the measures identified in other objectives. To identify that impact, we will focus many of the measures in this area on outputs, such as training offered, compliance with HB104, etc. Further, we will use employee and customer engagement measures identified in other objectives as outcome measures.

Strengthen and manage employee communication and Department culture.

Increase internal trust through communication.

Connecting with other humans, especially our work peers, is essential to our happiness and well-being. We not only care deeply about our employees well-being, but when our employees' well-being is thriving, our agency and the citizens of Utah directly benefit. With the increase in hybrid and remote work, making those connections requires intentional and consistent effort. We are undertaking the following strategies to build intentional communication into our daily actions.



★ STRATEGY

- Improve community and build a One Commerce culture.
- Improve communication between management and employees, including feedback method.
- Provide DEI training focused on both internal and external communication.



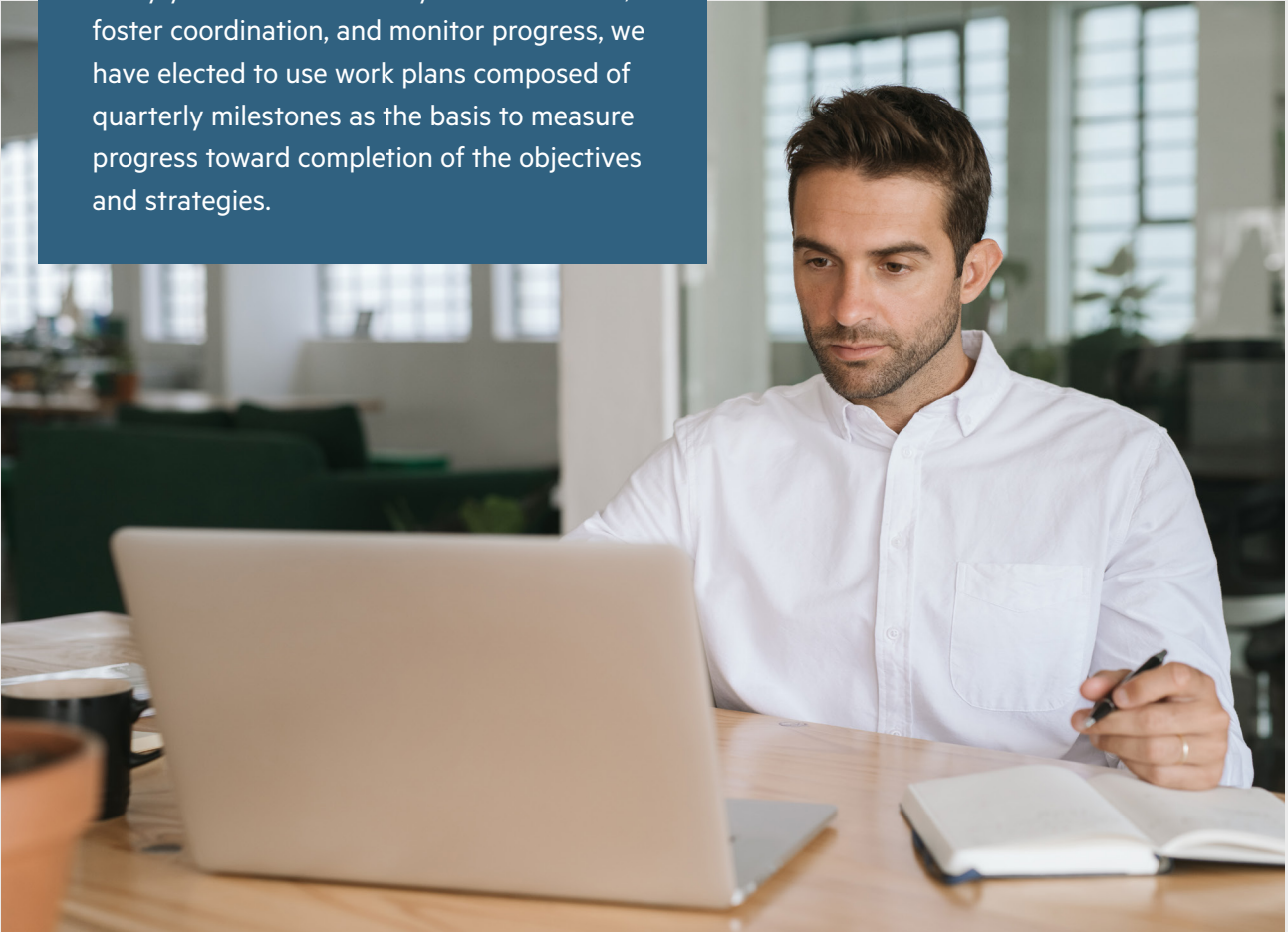
★ MEASUREMENT

As these strategies are developed and implemented, we will measure progress and impact through employee engagement with

- Newsletter and other routine communication analytics.
- Employee participation in various events.
- Employee engagement surveys.
- GDP recognition program.

Strategic Work Plans & Measures

In choosing our Strategic Objectives, we intentionally elected to tackle big ideas. Many of the strategies are expected to take many years to achieve fully. To focus effort, foster coordination, and monitor progress, we have elected to use work plans composed of quarterly milestones as the basis to measure progress toward completion of the objectives and strategies.



Each of the strategies identified in this document is assigned a champion that is a member of our senior leadership team. At the end of each calendar year, each champion identifies milestones they will reach each quarter of the following calendar year. These milestones can be deliverables, significant changes, or developmental stages. Milestones are published each quarter on an internal dashboard, where all team members can see our work.

As strategies reach a point where outcomes can be measured, reporting via key performance indicators (KPI) and external trends will be incorporated into our measurements to track the impact and health of processes.



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