

1                                   **COMMUNITY ASSOCIATION ACT**

2                                                           **AMENDMENTS**

3                                                                           2006 GENERAL SESSION

4                                                                           STATE OF UTAH

5                                   **Chief Sponsor: Michael G. Waddoups**

6                                                           House Sponsor: J. Stuart Adams

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8                   **LONG TITLE**

9                   **General Description:**

10                   This bill allows a homeowner association to impose fines for violations of the  
11 association's rules.

12                   **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ allows a homeowner association to impose fines for violations of the association's
- 15 rules;
- 16                   ▶ requires the homeowner association to notify a lot owner of a violation and inform
- 17 the lot owner of applicable fines; and
- 18                   ▶ provides for a hearing in which a lot owner may protest fines.

19                   **Monies Appropriated in this Bill:**

20                   None

21                   **Other Special Clauses:**

22                   None

23                   **Utah Code Sections Affected:**

24                   ENACTS:

25                   **57-8a-208**, Utah Code Annotated 1953

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

28                   Section 1. Section **57-8a-208** is enacted to read:

29                   **57-8a-208. Fines.**

30 (1) Unless otherwise provided in the association's governing documents, the board of a  
31 homeowner association may assess a fine against a lot owner for a violation of the association's  
32 governing documents after the requirements of Subsection (2) are met.

33 (2) Before assessing a fine under Subsection (1), the board shall:

34 (a) notify the lot owner of the violation; and

35 (b) inform the owner that a fine will be imposed if the violation is not remedied within  
36 the time provided in the association's governing documents, which shall be at least 48 hours.

37 (3) (a) A fine assessed under Subsection (1) shall:

38 (i) be made only for a violation of a rule, covenant, condition, or restriction that is  
39 specifically listed in the association's governing documents;

40 (ii) be in the amount specifically provided for in the association's governing documents  
41 for that specific type of violation or in an amount commensurate with the nature of the  
42 violation; and

43 (iii) accrue interest and late fees as provided in the association's governing documents.

44 (b) Unpaid fines may be collected as an unpaid assessment as set forth in the  
45 association's governing documents or in this chapter.

46 (4) (a) A lot owner who is assessed a fine under Subsection (1) may request an  
47 informal hearing to protest or dispute the fine within 14 days from the date the fine is assessed.

48 (b) A hearing requested under Subsection (4)(a) shall be conducted in accordance with  
49 standards provided in the association's governing documents.

50 (c) No interest or late fees may accrue until after the hearing has been conducted and a  
51 final decision has been rendered.