## Representative Raymond P. Ward proposes the following substitute bill:

1	SINGLE-FAMILY HOUSING MODIFICATIONS
2	2021 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Raymond P. Ward
5	Senate Sponsor: Jacob L. Anderegg
6 7	LONG TITLE
8	General Description:
9	This bill modifies provisions related to single-family housing.
10	Highlighted Provisions:
11	This bill:
12	<ul> <li>modifies and defines terms applicable to municipal and county land use</li> </ul>
13	development and management;
14	<ul> <li>allows municipalities and counties to require specified physical changes to certain</li> </ul>
15	accessory dwelling units;
16	in any single-family residential land use zone:
17	<ul> <li>requires municipalities and counties to classify certain accessory dwelling units</li> </ul>
18	as a permitted land use; and
19	<ul> <li>prohibits municipalities and counties from establishing restrictions or</li> </ul>
20	requirements for certain accessory dwelling units with limited exceptions;
21	<ul> <li>provides for statewide amendments to the International Residential Code related to</li> </ul>
22	accessory dwelling units;
23	<ul> <li>requires the executive director of the Olene Walker Housing Loan Fund to establish</li> </ul>
24	a program to provide loan guarantees for certain loans related to accessory dwelling
25	units;





26	<ul> <li>prevents a homeowners association from prohibiting the construction or rental of</li> </ul>				
27	certain accessory dwelling units; and				
28	<ul><li>makes technical and conforming changes.</li></ul>				
29	Money Appropriated in this Bill:				
30	None				
31	Other Special Clauses:				
32	None				
33	<b>Utah Code Sections Affected:</b>				
34	AMENDS:				
35	10-9a-505.5, as last amended by Laws of Utah 2012, Chapter 172				
36	10-9a-511.5, as enacted by Laws of Utah 2015, Chapter 205				
37	15A-3-202, as last amended by Laws of Utah 2020, Chapter 441				
38	15A-3-204, as last amended by Laws of Utah 2016, Chapter 249				
39	15A-3-206, as last amended by Laws of Utah 2018, Chapter 186				
40	17-27a-505.5, as last amended by Laws of Utah 2015, Chapter 465				
41	17-27a-510.5, as enacted by Laws of Utah 2015, Chapter 205				
42	35A-8-505, as last amended by Laws of Utah 2020, Chapter 241				
43	57-8a-209, as last amended by Laws of Utah 2018, Chapter 395				
44	57-8a-218, as last amended by Laws of Utah 2017, Chapter 131				
45	ENACTS:				
46	<b>10-9a-530</b> , Utah Code Annotated 1953				
47	17-27a-526, Utah Code Annotated 1953				
48	<b>35A-8-504.5</b> , Utah Code Annotated 1953				
49 50	Be it enacted by the Legislature of the state of Utah:				
51	Section 1. Section 10-9a-505.5 is amended to read:				
52	10-9a-505.5. Limit on single family designation.				
53	(1) As used in this section, "single-family limit" means the number of [unrelated]				
54	individuals allowed to occupy each residential unit that is recognized by a land use authority in				
55	a zone permitting occupancy by a single family.				
56	(2) A municipality may not adopt a single-family limit that is less than:				

5/	(a) three, if the municipality has within its boundary:
58	(i) a state university; or
59	(ii) a private university with a student population of at least 20,000; or
60	(b) four, for each other municipality.
61	Section 2. Section 10-9a-511.5 is amended to read:
62	10-9a-511.5. Changes to dwellings Egress windows.
63	(1) For purposes of this section, "rental dwelling" means the same as that term is
64	defined in Section 10-8-85.5.
65	(2) A municipal ordinance adopted under Section 10-1-203.5 may not:
66	(a) require physical changes in a structure with a legal nonconforming rental dwelling
67	use unless the change is for:
68	(i) the reasonable installation of:
69	(A) a smoke detector that is plugged in or battery operated;
70	(B) a ground fault circuit interrupter protected outlet on existing wiring;
71	(C) street addressing;
72	(D) except as provided in Subsection (3), an egress bedroom window if the existing
73	bedroom window is smaller than that required by current State Construction Code;
74	(E) an electrical system or a plumbing system, if the existing system is not functioning
75	or is unsafe as determined by an independent electrical or plumbing professional who is
76	licensed in accordance with Title 58, Occupations and Professions;
77	(F) hand or guard rails; or
78	(G) occupancy separation doors as required by the International Residential Code; or
79	(ii) the abatement of a structure; or
80	(b) be enforced to terminate a legal nonconforming rental dwelling use.
81	(3) (a) A municipality may not require physical changes to install an egress or
82	emergency escape window in an existing bedroom that complied with the State Construction
83	Code in effect at the time the bedroom was finished if:
84	[(a)] (i) the dwelling is an owner-occupied dwelling or a rental dwelling that is:
85	[(i)] (A) a detached one-, two-, three-, or four-family dwelling; or
86	[(ii)] (B) a town home that is not more than three stories above grade with a separate
87	means of egress; and

88	[(b) (i)] (ii) (A) the window in the existing bedroom is smaller than that required by			
89	current State Construction Code; and			
90	[(ii)] (B) the change would compromise the structural integrity of the structure or could			
91	not be completed in accordance with current State Construction Code, including set-back and			
92	window well requirements.			
93	(b) Subsection (3)(a) does not apply to an internal accessory dwelling unit as defined in			
94	Section 10-9a-530.			
95	(4) Nothing in this section prohibits a municipality from:			
96	(a) regulating the style of window that is required or allowed in a bedroom;			
97	(b) requiring that a window in an existing bedroom be fully openable if the openable			
98	area is less than required by current State Construction Code; or			
99	(c) requiring that an existing window not be reduced in size if the openable area is			
100	smaller than required by current State Construction Code.			
101	Section 3. Section 10-9a-530 is enacted to read:			
102	10-9a-530. Internal accessory dwelling units.			
103	(1) As used in this section:			
104	(a) "Internal accessory dwelling unit" means an accessory dwelling unit created:			
105	(i) within a primary dwelling;			
106	(ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the			
107	time the internal accessory dwelling unit is created; and			
108	(iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.			
109	(b) "Primary dwelling" means a detached owner-occupied single-family dwelling.			
110	(2) In any single-family residential zone:			
111	(a) the use of an internal accessory dwelling unit is a permitted use; and			
112	(b) except as provided in Subsection (4), a municipality may not establish any			
113	restrictions or requirements for the construction or use of one internal accessory dwelling unit			
114	within a primary dwelling, including a restriction or requirement governing:			
115	(i) the size of the internal accessory dwelling unit in relation to the primary dwelling;			
116	(ii) total lot size; or			
117	(iii) street frontage.			
118	(3) An internal accessory dwelling unit shall comply with all applicable building and			

119	fire codes.
120	(4) A municipality may:
121	(a) prohibit the installation of a separate utility meter for an internal accessory dwelling
122	unit;
123	(b) require that an internal accessory dwelling unit be designed in a manner that does
124	not change the appearance of the primary dwelling as a single-family dwelling;
125	(c) require a primary dwelling:
126	(i) to include one additional on-site parking space for an internal accessory dwelling
127	unit, regardless of whether the primary dwelling is existing or new construction; and
128	(ii) to replace any parking spaces contained within a garage or carport if an internal
129	accessory dwelling unit is created within the garage or carport;
130	(d) prohibit the creation of an internal accessory dwelling unit within a mobile home as
131	defined in Section 57-16-3; and
132	(e) require the owner of the primary dwelling to obtain a permit or license for renting
133	the internal accessory dwelling unit.
134	Section 4. Section <b>15A-3-202</b> is amended to read:
135	15A-3-202. Amendments to Chapters 1 through 5 of IRC.
136	(1) In IRC, Section R102, a new Section R102.7.2 is added as follows: "R102.7.2
137	Physical change for bedroom window egress. A structure whose egress window in an existing
138	bedroom is smaller than required by this code, and that complied with the construction code in
139	effect at the time that the bedroom was finished, is not required to undergo a physical change to
140	conform to this code if the change would compromise the structural integrity of the structure or
141	could not be completed in accordance with other applicable requirements of this code,
142	including setback and window well requirements."
143	(2) In IRC, Section R108.3, the following sentence is added at the end of the section:
144	"The building official shall not request proprietary information."
145	(3) In IRC, Section 109:
146	(a) A new IRC, Section 109.1.5, is added as follows: "R109.1.5 Weather-resistant
147	exterior wall envelope inspections. An inspection shall be made of the weather-resistant
148	exterior wall envelope as required by Section R703.1 and flashings as required by Section
149	R703.8 to prevent water from entering the weather-resistive barrier."

- (b) The remaining sections are renumbered as follows: R109.1.6 Other inspections; R109.1.6.1 Fire- and smoke-resistance-rated construction inspection; R109.1.6.2 Reinforced masonry, insulating concrete form (ICF) and conventionally formed concrete wall inspection; and R109.1.7 Final inspection.
  - (4) IRC, Section R114.1, is deleted and replaced with the following: "R114.1 Notice to owner. Upon notice from the building official that work on any building or structure is being prosecuted contrary to the provisions of this code or other pertinent laws or ordinances or in an unsafe and dangerous manner, such work shall be immediately stopped. The stop work order shall be in writing and shall be given to the owner of the property involved, or to the owner's agent or to the person doing the work; and shall state the conditions under which work will be permitted to resume."
  - (5) In IRC, Section R202, the following definition is added: "ACCESSORY DWELLING UNIT: A habitable living unit created within the existing footprint of a primary owner-occupied single-family dwelling."
  - [(5)] (6) In IRC, Section R202, the following definition is added: "CERTIFIED BACKFLOW PREVENTER ASSEMBLY TESTER: A person who has shown competence to test Backflow prevention assemblies to the satisfaction of the authority having jurisdiction under Utah Code, Subsection 19-4-104(4)."
  - [(6)] (7) In IRC, Section R202, the definition of "Cross Connection" is deleted and replaced with the following: "CROSS CONNECTION. Any physical connection or potential connection or arrangement between two otherwise separate piping systems, one of which contains potable water and the other either water of unknown or questionable safety or steam, gas, or chemical, whereby there exists the possibility for flow from one system to the other, with the direction of flow depending on the pressure differential between the two systems (see "Backflow, Water Distribution")."
  - [<del>(7)</del>] (8) In IRC, Section 202, in the definition for gray water a comma is inserted after the word "washers"; the word "and" is deleted; and the following is added to the end: "and clear water wastes which have a pH of 6.0 to 9.0; are non-flammable; non-combustible; without objectionable odors; non-highly pigmented; and will not interfere with the operation of the sewer treatment facility."
    - [(8)] (9) In IRC, Section R202, the definition of "Potable Water" is deleted and

182

183

184

185

replaced with the following: "POTABLE WATER. Water free from impurities present in amounts sufficient to cause disease or harmful physiological effects and conforming to the Utah Code, Title 19, Chapter 4, Safe Drinking Water Act, and Title 19, Chapter 5, Water Quality Act, and the regulations of the public health authority having jurisdiction."

[9] (10) IRC, Figure R301.2(5), is deleted and replaced with R301.2(5) as follows:

186	"TABLE R301.2(5)			
187	GROUND	SNOW LOADS F	OR SELECTED LOCATIONS II	N UTAH
188	City/Town	County	Ground Snow Load (lb/ft2)	Elevation (ft)
189	Beaver	Beaver	35	5886
190	Brigham City	Box Elder	42	4423
191	Castle Dale	Emery	32	5669
192	Coalville	Summit	57	5581
193	Duchesne	Duchesne	39	5508
194	Farmington	Davis	35	4318
195	Fillmore	Millard	30	5138
196	Heber City	Wasatch	60	5604
197	Junction	Piute	27	6030
198	Kanab	Kane	25	4964
199	Loa	Wayne	37	7060
200	Logan	Cache	43	4531
201	Manila	Daggett	26	6368
202	Manti	Sanpete	37	5620
203	Moab	Grand	21	4029
204	Monticello	San Juan	67	7064
205	Morgan	Morgan	52	5062
206	Nephi	Juab	39	5131
207	Ogden	Weber	37	4334
208	Panguitch	Garfield	41	6630
209	Parowan	Iron	32	6007

219

220

221

222

223

224

225

226

227

228

229

230

231

210	Price	Carbon	31	5558
211	Provo	Utah	31	4541
212	Randolph	Rich	50	6286
213	Richfield	Sevier	27	5338
214	St. George	Washington	21	2585
215	Salt Lake City	Salt Lake	28	4239
216	Tooele	Tooele	35	5029
217	Vernal	Uintah	39	5384

Note: To convert lb/ft2 to kN/m2, multiply by 0.0479. To convert feet to meters, multiply by 0.3048.

- 1. Statutory requirements of the Authority Having Jurisdiction are not included in this state ground snow load table.
- 2. For locations where there is substantial change in altitude over the city/town, the load applies at and below the cited elevation, with a tolerance of 100 ft (30 m).
- 3. For other locations in Utah, see Bean, B., Maguire, M., Sun, Y. (2018), "The Utah Snow Load Study," Utah State University Civil and Environmental Engineering Faculty Publications, Paper 3589, http://utahsnowload.usu.edu/, for ground snow load values.

[(10)] (11) IRC, Section R301.6, is deleted and replaced with the following: "R301.6 Utah Snow Loads. The snow loads specified in Table R301.2(5b) shall be used for the jurisdictions identified in that table. Otherwise, for other locations in Utah, see Bean, B., Maguire, M., Sun, Y. (2018), "The Utah Snow Load Study," Utah State University Civil and Environmental Engineering Faculty Publications, Paper 3589, http://utahsnowload.usu.edu/, for ground snow load values."

[(11)] (12) In IRC, Section R302.2, the following sentence is added after the second sentence: "When an access/maintenance agreement or easement is in place, plumbing, mechanical ducting, schedule 40 steel gas pipe, and electric service conductors including feeders, are permitted to penetrate the common wall at grade, above grade, or below grade."

(13) In IRC, Section R302.3, a new exception 3 is added as follows: "3. Accessory dwelling units separated by walls or floor assemblies protected by not less than 1/2-inch (12.7 mm) gypsum board or equivalent on each side of the wall or bottom of the floor assembly are

232	exempt from the requirements of this section."
233	[(12)] (14) In IRC, Section R302.5.1, the words "self-closing device" are deleted and
234	replaced with "self-latching hardware."
235	[ <del>(13)</del> ] <u>(15)</u> IRC, Section R302.13, is deleted.
236	[(14)] (16) In IRC, Section R303.4, the number "5" is changed to "3" in the first
237	sentence.
238	(17) In IRC, Section R310.6, in the exception, the words "or accessory dwelling units"
239	are added after the words "sleeping rooms".
240	[(15)] (18) IRC, Sections R311.7.4 through R311.7.5.3, are deleted and replaced with
241	the following: "R311.7.4 Stair treads and risers. R311.7.5.1 Riser height. The maximum riser
242	height shall be 8 inches (203 mm). The riser shall be measured vertically between leading
243	edges of the adjacent treads. The greatest riser height within any flight of stairs shall not
244	exceed the smallest by more than 3/8 inch (9.5 mm).
245	R311.7.5.2 Tread depth. The minimum tread depth shall be 9 inches (228 mm). The tread
246	depth shall be measured horizontally between the vertical planes of the foremost projection of
247	adjacent treads and at a right angle to the tread's leading edge. The greatest tread depth within
248	any flight of stairs shall not exceed the smallest by more than 3/8 inch (9.5 mm). Winder
249	treads shall have a minimum tread depth of 10 inches (254 mm) measured as above at a point
250	12 inches (305 mm) from the side where the treads are narrower. Winder treads shall have a
251	minimum tread depth of 6 inches (152 mm) at any point. Within any flight of stairs, the
252	greatest winder tread depth at the 12-inch (305 mm) walk line shall not exceed the smallest by
253	more than 3/8 inch (9.5 mm).
254	R311.7.5.3 Profile. The radius of curvature at the leading edge of the tread shall be no greater
255	than 9/16 inch (14.3 mm). A nosing not less than 3/4 inch (19 mm) but not more than 1 1/4
256	inches (32 mm) shall be provided on stairways with solid risers. The greatest nosing projection
257	shall not exceed the smallest nosing projection by more than 3/8 inch (9.5 mm) between two
258	stories, including the nosing at the level of floors and landings. Beveling of nosing shall not
259	exceed 1/2 inch (12.7 mm). Risers shall be vertical or sloped from the underside of the leading
260	edge of the tread above at an angle not more than 30 degrees (0.51 rad) from the vertical. Open
261	risers are permitted, provided that the opening between treads does not permit the passage of a
262	4-inch diameter (102 mm) sphere.

- 263 Exceptions.
- 1. A nosing is not required where the tread depth is a minimum of 10 inches (254 mm).
- 265 2. The opening between adjacent treads is not limited on stairs with a total rise of 30 inches
- 266 (762 mm) or less."
- 267 [(16)] (19) IRC, Section R312.2, is deleted.
- [(17)] (20) IRC, Sections R313.1 through R313.2.1, are deleted and replaced with the
- 269 following: "R313.1 Design and installation. When installed, automatic residential fire
- 270 sprinkler systems for townhouses or one- and two-family dwellings shall be designed and
- installed in accordance with Section P2904 or NFPA 13D."
- 272 (21) In IRC, Section R314.2.2, the words "or accessory dwelling units" are added after
- 273 the words "sleeping rooms".
- 274 (22) In IRC, Section R315.2.2, the words "or accessory dwelling units" are added after
- the words "sleeping rooms".
- [(18)] (23) In IRC, Section 315.3, the following words are added to the first sentence
- after the word "installed": "on each level of the dwelling unit and."
- [(19)] (24) In IRC, Section R315.5, a new exception, 3, is added as follows:
- 279 "3. Hard wiring of carbon monoxide alarms in existing areas shall not be required where the
- alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing
- 281 the structure, unless there is an attic, crawl space or basement available which could provide
- access for hard wiring, without the removal of interior finishes."
- [(20)] (25) A new IRC, Section R315.7, is added as follows: "R315.7 Interconnection.
- 284 Where more than one carbon monoxide alarm is required to be installed within an individual
- dwelling unit in accordance with Section R315.1, the alarm devices shall be interconnected in
- such a manner that the actuation of one alarm will activate all of the alarms in the individual
- unit. Physical interconnection of smoke alarms shall not be required where listed wireless
- alarms are installed and all alarms sound upon activation of one alarm.
- 289 Exception: Interconnection of carbon monoxide alarms in existing areas shall not be required
- 290 where alterations or repairs do not result in removal of interior wall or ceiling finishes exposing
- the structure, unless there is an attic, crawl space or basement available which could provide
- access for interconnection without the removal of interior finishes."
- [(21)] (26) In IRC, Section R317.1.5, the period is deleted and the following language

294	is added to the end of the paragraph: "or treated with a moisture resistant coating."
295	[(22)] (27) In IRC, Section 326.1, the words "residential provisions of the" are added
296	after the words "pools and spas shall comply with".
297	[(23)] (28) In IRC, Section R403.1.6, a new Exception 3 is added as follows: "3.
298	When anchor bolt spacing does not exceed 32 inches (813 mm) apart, anchor bolts may be
299	placed with a minimum of two bolts per plate section located not less than 4 inches (102 mm)
300	from each end of each plate section at interior bearing walls, interior braced wall lines, and at
301	all exterior walls."
302	[(24)] (29) In IRC, Section R403.1.6.1, a new exception is added at the end of Item 2
303	and Item 3 as follows: "Exception: When anchor bolt spacing does not exceed 32 inches (816
304	mm) apart, anchor bolts may be placed with a minimum of two bolts per plate section located
305	not less than 4 inches (102 mm) from each end of each plate section at interior bearing walls,
306	interior braced wall lines, and at all exterior walls."
307	[(25)] (30) In IRC, Section R404.1, a new exception is added as follows: "Exception:
308	As an alternative to complying with Sections R404.1 through R404.1.5.3, concrete and
309	masonry foundation walls may be designed in accordance with IBC Sections 1807.1.5 and
310	1807.1.6 as amended in Section 1807.1.6.4 and Table 1807.1.6.4 under these rules."
311	[(26)] (31) In IRC, Section R405.1, a new exception is added as follows: "Exception:
312	When a geotechnical report has been provided for the property, a drainage system is not
313	required unless the drainage system is required as a condition of the geotechnical report. The
314	geological report shall make a recommendation regarding a drainage system."
315	Section 5. Section 15A-3-204 is amended to read:
316	15A-3-204. Amendments to Chapters 16 through 25 of IRC.
317	(1) In IRC, Section M1602.2, a new exception is added at the end of Item 6 as follows
318	"Exception: The discharge of return air from an accessory dwelling unit into another dwelling
319	unit, or into an accessory dwelling unit from another dwelling unit, is not prohibited."
320	(2) A new IRC, Section G2401.2, is added as follows: "G2401.2 Meter Protection.
321	Fuel gas services shall be in an approved location and/or provided with structures designed to
322	protect the fuel gas meter and surrounding piping from physical damage, including falling,
323	moving, or migrating ice and snow. If an added structure is used, it must provide access for
324	service and comply with the IBC or the IRC."

325 Section 6. Section 15A-3-206 is amended to read: 326 15A-3-206. Amendments to Chapters 36 through 44 and Appendix F of IRC. (1) In IRC, Section E3601.6.2, a new exception is added as follows: "Exception: An 327 328 occupant of an accessory dwelling unit is not required to have access to the disconnect serving 329 the dwelling unit in which they reside." 330 [(1)] (2) In IRC, Section E3705.4.5, the following words are added after the word 331 "assemblies": "with ungrounded conductors 10 AWG and smaller". 332  $[\frac{(2)}{(2)}]$  (3) In IRC, Section E3901.9, the following exception is added: 333 "Exception: Receptacles or other outlets adjacent to the exterior walls of the garage, outlets 334 adjacent to an exterior wall of the garage, or outlets in a storage room with entry from the 335 garage may be connected to the garage branch circuit." 336 [<del>(3)</del>] (4) IRC, Section E3902.16 is deleted. 337 [(4)] (5) In Section E3902.17: 338 (a) following the word "Exception" the number "1." is added; and 339 (b) at the end of the section, the following sentences are added: 340 "2. This section does not apply for a simple move or an extension of a branch circuit or an 341 outlet which does not significantly increase the existing electrical load. This exception does 342 not include changes involving remodeling or additions to a residence." 343 [(5)] (6) IRC, Chapter 44, is amended by adding the following reference standard: 344

344	"Standard reference	Title	Referenced in code
J <b>-1-1</b>	number		section number
	USC-FCCCHR 10th	Foundation for Cross-Connection Control	Table P2902.3"
345	Edition Manual of	and Hydraulic Research University of	
343	Cross Connection	Southern California Kaprielian Hall 300	
	Control	Los Angeles CA 90089-2531	

[(6)] (7) (a) When passive radon controls or portions thereof are voluntarily installed, the voluntary installation shall comply with Appendix F of the IRC.

(b) An additional inspection of a voluntary installation described in Subsection [<del>(6)</del>] (7)(a) is not required.

Section 7. Section 17-27a-505.5 is amended to read:

17-27a-505.5. Limit on single family designation.

346

347

348

349

350

351

352	(1) As used in this section, "single-family limit" means the number of [unrelated]			
353	individuals allowed to occupy each residential unit that is recognized by a land use authority in			
354	a zone permitting occupancy by a single family.			
355	(2) A county may not adopt a single-family limit that is less than:			
356	(a) three, if the county has within its unincorporated area:			
357	(i) a state university;			
358	(ii) a private university with a student population of at least 20,000; or			
359	(iii) a mountainous planning district; or			
360	(b) four, for each other county.			
361	Section 8. Section 17-27a-510.5 is amended to read:			
362	17-27a-510.5. Changes to dwellings Egress windows.			
363	(1) For purposes of this section, "rental dwelling" means the same as that term is			
364	defined in Section 10-8-85.5.			
365	(2) A county ordinance adopted under Section 10-1-203.5 may not:			
366	(a) require physical changes in a structure with a legal nonconforming rental dwelling			
367	use unless the change is for:			
368	(i) the reasonable installation of:			
369	(A) a smoke detector that is plugged in or battery operated;			
370	(B) a ground fault circuit interrupter protected outlet on existing wiring;			
371	(C) street addressing;			
372	(D) except as provided in Subsection (3), an egress bedroom window if the existing			
373	bedroom window is smaller than that required by current State Construction Code;			
374	(E) an electrical system or a plumbing system, if the existing system is not functioning			
375	or is unsafe as determined by an independent electrical or plumbing professional who is			
376	licensed in accordance with Title 58, Occupations and Professions;			
377	(F) hand or guard rails; or			
378	(G) occupancy separation doors as required by the International Residential Code; or			
379	(ii) the abatement of a structure; or			
380	(b) be enforced to terminate a legal nonconforming rental dwelling use.			
381	(3) (a) A county may not require physical changes to install an egress or emergency			
382	escape window in an existing bedroom that complied with the State Construction Code in			

383	effect at the time the bedroom was finished if:
384	[(a)] (i) the dwelling is an owner-occupied dwelling or a rental dwelling that is:
385	[(i)] (A) a detached one-, two-, three-, or four-family dwelling; or
386	[(ii)] (B) a town home that is not more than three stories above grade with a separate
387	means of egress; and
388	[(b) (i)] (ii) (A) the window in the existing bedroom is smaller than that required by
389	current State Construction Code; and
390	[(ii)] (B) the change would compromise the structural integrity of the structure or could
391	not be completed in accordance with current State Construction Code, including set-back and
392	window well requirements.
393	(b) Subsection (3)(a) does not apply to an internal accessory dwelling unit as defined in
394	Section 17-27a-526.
395	(4) Nothing in this section prohibits a county from:
396	(a) regulating the style of window that is required or allowed in a bedroom;
397	(b) requiring that a window in an existing bedroom be fully openable if the openable
398	area is less than required by current State Construction Code; or
399	(c) requiring that an existing window not be reduced in size if the openable area is
400	smaller than required by current State Construction Code.
401	Section 9. Section 17-27a-526 is enacted to read:
402	17-27a-526. Internal accessory dwelling units.
403	(1) As used in this section:
404	(a) "Internal accessory dwelling unit" means an accessory dwelling unit created:
405	(i) within a primary dwelling;
406	(ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the
407	time the internal accessory dwelling unit is created; and
408	(iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.
409	(b) "Primary dwelling" means a detached owner-occupied single-family dwelling.
410	(2) In any single-family residential zone:
411	(a) the use of an internal accessory dwelling unit is a permitted use; and
412	(b) except as provided in Subsection (4), a county may not establish any restrictions or
413	requirements for the construction or use of one internal accessory dwelling unit within a

414	primary dwelling, including a restriction or requirement governing:
415	(i) the size of the internal accessory dwelling unit in relation to the primary dwelling;
416	(ii) total lot size; or
417	(iii) street frontage.
418	(3) An internal accessory dwelling unit shall comply with all applicable building and
419	fire codes.
420	(4) A county may:
421	(a) prohibit the installation of a separate utility meter for an internal accessory dwelling
422	unit;
423	(b) require that an internal accessory dwelling unit be designed in a manner that does
424	not change the appearance of the primary dwelling as a single-family dwelling;
425	(c) require a primary dwelling:
426	(i) to include one additional on-site parking space for an internal accessory dwelling
427	unit, regardless of whether the primary dwelling is existing or new construction; and
428	(ii) to replace any parking spaces contained within a garage or carport if an internal
429	accessory dwelling unit is created within the garage or carport;
430	(d) prohibit the creation of an internal accessory dwelling unit within a mobile home as
431	defined in Section 57-16-3; and
432	(e) require the owner of the primary dwelling to obtain a permit or license for renting
433	the internal accessory dwelling unit.
434	Section 10. Section <b>35A-8-504.5</b> is enacted to read:
435	35A-8-504.5. Low-income ADU loan guarantee program.
436	(1) As used in this section:
437	(a) "Accessory dwelling unit" means the same as that term is defined in Section
438	<u>10-9a-103.</u>
439	(b) "Borrower" means a residential property owner who receives a low-income ADU
440	loan from a lender.
441	(c) "Lender" means a trust company, savings bank, savings and loan association, bank,
442	credit union, or any other entity that provides low-income ADU loans directly to borrowers.
443	(d) "Low-income ADU loan" means a loan made by a lender to a borrower for the
444	purpose of financing the construction of an accessory dwelling unit that is:

## 3rd Sub. (Cherry) H.B. 82

## 02-08-21 11:04 AM

445	(i) located on the borrower's residential property; and
446	(ii) rented to a low-income individual.
447	(e) "Low-income individual" means an individual whose household income is less than
448	80% of the area median income.
449	(2) The executive director shall establish a program to provide loan guarantees on
450	behalf of borrowers for the purpose of insuring the repayment of low-income ADU loans.
451	(3) The executive director may not provide a loan guarantee for a low-income ADU
452	loan under this section unless:
453	(a) the lender:
454	(i) agrees in writing to participate in the loan guarantee program;
455	(ii) makes available to prospective borrowers the option of receiving a low-income
456	ADU loan that:
457	(A) has a term of 15 years; and
458	(B) charges interest at a fixed rate;
459	(iii) monitors the activities of the borrower on a yearly basis during the term of the loan
460	to ensure the borrower's compliance with:
461	(A) Subsection (3)(c); and
462	(B) any other term or condition of the loan; and
463	(iv) promptly notifies the executive director in writing if the borrower fails to comply
464	with:
465	(A) Subsection (3)(c); or
466	(B) any other term or condition of the loan;
467	(b) the loan terms of the low-income ADU loan:
468	(i) are consistent with the loan terms described in Subsection (3)(a)(ii); or
469	(ii) if different from the loan terms described in Subsection (3)(a)(ii), are mutually
470	agreed upon by the lender and the borrower; and
471	(c) the borrower:
472	(i) agrees in writing to participate in the loan guarantee program;
473	(ii) constructs an accessory dwelling unit on the borrower's residential property within
474	one year after the day on which the borrower receives the loan;
475	(iii) occupies the primary residence to which the accessory dwelling unit is associated:

476	(A) after the accessory dwelling unit is completed; and
477	(B) for the remainder of the term of the loan; and
478	(iv) rents the accessory dwelling unit to a low-income individual:
479	(A) after the accessory dwelling unit is completed; and
480	(B) for the remainder of the term of the loan.
481	(4) At the direction of the board, the executive director shall make rules in accordance
482	with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:
483	(a) the minimum criteria for lenders and borrowers to participate in the loan guarantee
484	program;
485	(b) the terms and conditions for loan guarantees provided under this section, consistent
486	with Subsection (3); and
487	(c) procedures for the loan guarantee process.
488	Section 11. Section <b>35A-8-505</b> is amended to read:
489	35A-8-505. Activities authorized to receive fund money Powers of the executive
490	director.
491	At the direction of the board, the executive director may:
492	(1) provide fund money to any of the following activities:
493	(a) the acquisition, rehabilitation, or new construction of low-income housing units;
494	(b) matching funds for social services projects directly related to providing housing for
495	special-need renters in assisted projects;
496	(c) the development and construction of accessible housing designed for low-income
497	persons;
498	(d) the construction or improvement of a shelter or transitional housing facility that
499	provides services intended to prevent or minimize homelessness among members of a specific
500	homeless subpopulation;
501	(e) the purchase of an existing facility to provide temporary or transitional housing for
502	the homeless in an area that does not require rezoning before providing such temporary or
503	transitional housing;
504	(f) the purchase of land that will be used as the site of low-income housing units;
505	(g) the preservation of existing affordable housing units for low-income persons; [and]
506	(h) providing loan guarantees under Section 35A-8-504.5; and

507 [(h)] (i) other activities that will assist in minimizing homelessness or improving the 508 availability or quality of housing in the state for low-income persons; and 509 (2) do any act necessary or convenient to the exercise of the powers granted by this part 510 or reasonably implied from those granted powers, including: 511 (a) making or executing contracts and other instruments necessary or convenient for 512 the performance of the executive director and board's duties and the exercise of the executive 513 director and board's powers and functions under this part, including contracts or agreements for 514 the servicing and originating of mortgage loans: 515 (b) procuring insurance against a loss in connection with property or other assets held 516 by the fund, including mortgage loans, in amounts and from insurers it considers desirable; 517 (c) entering into agreements with a department, agency, or instrumentality of the 518 United States or this state and with mortgagors and mortgage lenders for the purpose of 519 planning and regulating and providing for the financing and refinancing, purchase. 520 construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, 521 or other disposition of residential housing undertaken with the assistance of the department 522 under this part; 523 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, 524 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or 525 personal property obtained by the fund due to the default on a mortgage loan held by the fund 526 in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the 527 528 performance of its duties; and 529 (e) selling, at a public or private sale, with public bidding, a mortgage or other 530 obligation held by the fund. 531 Section 12. Section 57-8a-209 is amended to read: 532 57-8a-209. Rental restrictions. 533 (1) (a) Subject to Subsections (1)(b), (5), [and] (6), and (10), an association may: 534 (i) create restrictions on the number and term of rentals in an association; or 535 (ii) prohibit rentals in the association. 536 (b) An association that creates a rental restriction or prohibition in accordance with

Subsection (1)(a) shall create the rental restriction or prohibition in a recorded declaration of

538	covenants, conditions, and restrictions, or by amending the recorded declaration of covenants,
539	conditions, and restrictions.
540	(2) If an association prohibits or imposes restrictions on the number and term of
541	rentals, the restrictions shall include:
542	(a) a provision that requires the association to exempt from the rental restrictions the
543	following lot owner and the lot owner's lot:
544	(i) a lot owner in the military for the period of the lot owner's deployment;
545	(ii) a lot occupied by a lot owner's parent, child, or sibling;
546	(iii) a lot owner whose employer has relocated the lot owner for two years or less;
547	(iv) a lot owned by an entity that is occupied by an individual who:
548	(A) has voting rights under the entity's organizing documents; and
549	(B) has a 25% or greater share of ownership, control, and right to profits and losses of
550	the entity; or
551	(v) a lot owned by a trust or other entity created for estate planning purposes if the trust
552	or other estate planning entity was created for:
553	(A) the estate of a current resident of the lot; or
554	(B) the parent, child, or sibling of the current resident of the lot;
555	(b) a provision that allows a lot owner who has a rental in the association before the
556	time the rental restriction described in Subsection (1)(a) is recorded with the county recorder of
557	the county in which the association is located to continue renting until:
558	(i) the lot owner occupies the lot;
559	(ii) an officer, owner, member, trustee, beneficiary, director, or person holding a
560	similar position of ownership or control of an entity or trust that holds an ownership interest in
561	the lot, occupies the lot; or
562	(iii) the lot is transferred; and
563	(c) a requirement that the association create, by rule or resolution, procedures to:
564	(i) determine and track the number of rentals and lots in the association subject to the
565	provisions described in Subsections (2)(a) and (b); and
566	(ii) ensure consistent administration and enforcement of the rental restrictions.
567	(3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the
568	following occur:

597

598

599

- 569 (a) the conveyance, sale, or other transfer of a lot by deed; 570 (b) the granting of a life estate in the lot; or 571 (c) if the lot is owned by a limited liability company, corporation, partnership, or other 572 business entity, the sale or transfer of more than 75% of the business entity's share, stock, 573 membership interests, or partnership interests in a 12-month period. 574 (4) This section does not limit or affect residency age requirements for an association 575 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec. 576 3607. 577 (5) A declaration of covenants, conditions, and restrictions or amendments to the declaration of covenants, conditions, and restrictions recorded before the transfer of the first lot 578 579 from the initial declarant may prohibit or restrict rentals without providing for the exceptions, 580 provisions, and procedures required under Subsection (2). 581 (6) (a) Subsections (1) through (5) do not apply to: (i) an association that contains a time period unit as defined in Section 57-8-3; 582 583 (ii) any other form of timeshare interest as defined in Section 57-19-2; or 584 (iii) subject to Subsection (6)(b), an association that is formed before May 12, 2009, 585 unless, on or after May 12, 2015, the association: 586 (A) adopts a rental restriction or prohibition; or 587 (B) amends an existing rental restriction or prohibition. 588 (b) An association that adopts a rental restriction or amends an existing rental 589 restriction or prohibition before May 9, 2017, is not required to include the exemption 590 described in Subsection (2)(a)(iv). (7) Notwithstanding this section, an association may restrict or prohibit rentals without 591 592 an exception described in Subsection (2) if: 593 (a) the restriction or prohibition receives unanimous approval by all lot owners; and 594 (b) when the restriction or prohibition requires an amendment to the association's recorded declaration of covenants, conditions, and restrictions, the association fulfills all other 595
  - (8) Except as provided in Subsection (9), an association may not require a lot owner who owns a rental lot to:

described in the association's governing documents.

requirements for amending the recorded declaration of covenants, conditions, and restrictions

600	(a) obtain the association's approval of a prospective renter;
601	(b) give the association:
602	(i) a copy of a rental application;
603	(ii) a copy of a renter's or prospective renter's credit information or credit report;
604	(iii) a copy of a renter's or prospective renter's background check; or
605	(iv) documentation to verify the renter's age; or
606	(c) pay an additional assessment, fine, or fee because the lot is a rental lot.
607	(9) (a) A lot owner who owns a rental lot shall give an association the documents
608	described in Subsection (8)(b) if the lot owner is required to provide the documents by court
609	order or as part of discovery under the Utah Rules of Civil Procedure.
610	(b) If an association's declaration of covenants, conditions, and restrictions lawfully
611	prohibits or restricts occupancy of the lots by a certain class of individuals, the association may
612	require a lot owner who owns a rental lot to give the association the information described in
613	Subsection (8)(b), if:
614	(i) the information helps the association determine whether the renter's occupancy of
615	the lot complies with the association's declaration of covenants, conditions, and restrictions;
616	and
617	(ii) the association uses the information to determine whether the renter's occupancy of
618	the lot complies with the association's declaration of covenants, conditions, and restrictions.
619	(10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the
620	rental of an internal accessory dwelling unit, as defined in Section 10-9a-530, constructed
621	within a lot owner's residential lot, if the internal accessory dwelling unit complies with all
622	applicable:
623	(a) land use ordinances;
624	(b) building codes; and
625	(c) fire codes.
626	[(10)] (11) The provisions of Subsections (8) $[and (9)]$ through (10) apply to an
627	association regardless of when the association is created.
628	Section 13. Section <b>57-8a-218</b> is amended to read:
629	57-8a-218. Equal treatment by rules required Limits on association rules and
630	design criteria.

631	(1) (a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated lot
632	owners similarly.
633	(b) Notwithstanding Subsection (1)(a), a rule may:
634	(i) vary according to the level and type of service that the association provides to lot
635	owners;
636	(ii) differ between residential and nonresidential uses; and
637	(iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
638	limit on the number of individuals who may use the common areas and facilities as guests of
639	the lot tenant or lot owner.
640	(2) (a) If a lot owner owns a rental lot and is in compliance with the association's
641	governing documents and any rule that the association adopts under Subsection (4), a rule may
642	not treat the lot owner differently because the lot owner owns a rental lot.
643	(b) Notwithstanding Subsection (2)(a), a rule may:
644	(i) limit or prohibit a rental lot owner from using the common areas for purposes other
645	than attending an association meeting or managing the rental lot;
646	(ii) if the rental lot owner retains the right to use the association's common areas, even
647	occasionally:
648	(A) charge a rental lot owner a fee to use the common areas; or
649	(B) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
650	limit on the number of individuals who may use the common areas and facilities as guests of
651	the lot tenant or lot owner; or
652	(iii) include a provision in the association's governing documents that:
653	(A) requires each tenant of a rental lot to abide by the terms of the governing
654	documents; and
655	(B) holds the tenant and the rental lot owner jointly and severally liable for a violation
656	of a provision of the governing documents.
657	(3) (a) A rule criterion may not abridge the rights of a lot owner to display religious
658	and holiday signs, symbols, and decorations inside a dwelling on a lot.
659	(b) Notwithstanding Subsection (3)(a), the association may adopt time, place, and
660	manner restrictions with respect to displays visible from outside the dwelling or lot.
661	(4) (a) A rule may not regulate the content of political signs.

662	(b) Notwithstanding Subsection (4)(a):
663	(i) a rule may regulate the time, place, and manner of posting a political sign; and
664	(ii) an association design provision may establish design criteria for political signs.
665	(5) (a) A rule may not interfere with the freedom of a lot owner to determine the
666	composition of the lot owner's household.
667	(b) Notwithstanding Subsection (5)(a), an association may:
668	(i) require that all occupants of a dwelling be members of a single housekeeping unit;
669	or
670	(ii) limit the total number of occupants permitted in each residential dwelling on the
671	basis of the residential dwelling's:
672	(A) size and facilities; and
673	(B) fair use of the common areas.
674	(6) (a) A rule may not interfere with an activity of a lot owner within the confines of a
675	dwelling or lot, to the extent that the activity is in compliance with local laws and ordinances.
676	(b) Notwithstanding Subsection (6)(a), a rule may prohibit an activity within a dwelling
677	on an owner's lot if the activity:
678	(i) is not normally associated with a project restricted to residential use; or
679	(ii) (A) creates monetary costs for the association or other lot owners;
680	(B) creates a danger to the health or safety of occupants of other lots;
681	(C) generates excessive noise or traffic;
682	(D) creates unsightly conditions visible from outside the dwelling;
683	(E) creates an unreasonable source of annoyance to persons outside the lot; or
684	(F) if there are attached dwellings, creates the potential for smoke to enter another lot
685	owner's dwelling, the common areas, or limited common areas.
686	(c) If permitted by law, an association may adopt rules described in Subsection (6)(b)
687	that affect the use of or behavior inside the dwelling.
688	(7) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written
689	objection to the board, alter the allocation of financial burdens among the various lots.
690	(b) Notwithstanding Subsection (7)(a), an association may:
691	(i) change the common areas available to a lot owner;
692	(ii) adopt generally applicable rules for the use of common areas; or

693 (iii) deny use privileges to a lot owner who: 694 (A) is delinquent in paying assessments; 695 (B) abuses the common areas; or 696 (C) violates the governing documents. 697 (c) This Subsection (7) does not permit a rule that: 698 (i) alters the method of levying assessments; or 699 (ii) increases the amount of assessments as provided in the declaration. 700 (8) (a) Subject to Subsection (8)(b), a rule may not: 701 (i) prohibit the transfer of a lot; or 702 (ii) require the consent of the association or board to transfer a lot. 703 (b) Unless contrary to a declaration, a rule may require a minimum lease term. (9) (a) A rule may not require a lot owner to dispose of personal property that was in or 704 705 on a lot before the adoption of the rule or design criteria if the personal property was in compliance with all rules and other governing documents previously in force. 706 707 (b) The exemption in Subsection (9)(a): 708 (i) applies during the period of the lot owner's ownership of the lot; and 709 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of 710 the rule described in Subsection (9)(a). 711 (10) A rule or action by the association or action by the board may not unreasonably 712 impede a declarant's ability to satisfy existing development financing for community 713 improvements and right to develop: 714 (a) the project; or 715 (b) other properties in the vicinity of the project. 716 (11) A rule or association or board action may not interfere with: 717 (a) the use or operation of an amenity that the association does not own or control; or 718 (b) the exercise of a right associated with an easement. 719 (12) A rule may not divest a lot owner of the right to proceed in accordance with a 720 completed application for design review, or to proceed in accordance with another approval 721 process, under the terms of the governing documents in existence at the time the completed application was submitted by the owner for review. 722 723 (13) Unless otherwise provided in the declaration, an association may by rule:

724	(a) regulate the use, maintenance, repair, replacement, and modification of common
725	areas;
726	(b) impose and receive any payment, fee, or charge for:
727	(i) the use, rental, or operation of the common areas, except limited common areas; and
728	(ii) a service provided to a lot owner;
729	(c) impose a charge for a late payment of an assessment; or
730	(d) provide for the indemnification of the association's officers and board consistent
731	with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
732	(14) (a) Except as provided in Subsection (14)(b), a rule may not prohibit the owner of
733	a residential lot from constructing an internal accessory dwelling unit, as defined in Section
734	10-9a-530, within the owner's residential lot.
735	(b) Subsection (14)(a) does not apply if the construction would violate:
736	(i) a local land use ordinance;
737	(ii) a building code; or
738	(iii) a fire code.
739	$\left[\frac{(14)}{(15)}\right]$ A rule shall be reasonable.
740	[(15)] (16) A declaration, or an amendment to a declaration, may vary any of the
741	requirements of Subsections (1) through (13), except Subsection (1)(b)(ii).
742	[(16)] (17) A rule may not be inconsistent with a provision of the association's
743	declaration, bylaws, or articles of incorporation.
744	[(17)] (18) This section applies to an association regardless of when the association is
745	created.