

R. Neil Walter proposes the following substitute bill:

**Homeowners' Association Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: R. Neil Walter**

Senate Sponsor:

---

---

**LONG TITLE**

**General Description:**

This bill amends provisions relating to homeowners' associations.

**Highlighted Provisions:**

This bill:

- defines terms;
- establishes the Office of the Homeowners' Association Ombudsman;
- establishes the duties, jurisdiction, and functions of the Office of the Homeowners' Association Ombudsman;
- requires the Office of the Homeowners' Association Ombudsman to issue an advisory opinion under certain circumstances;
- provides the circumstances under which an advisory opinion of the Office of the Homeowners' Association Ombudsman is admissible in a subsequent proceeding;
- makes void and unenforceable a homeowners' association transfer fee;
- establishes requirements for a homeowners' association to impose a reinvestment fee;
- changes requirements for amending governing documents;
- sets limits on the amount a homeowners' association may charge as a late fee;
- requires that a homeowners' association provide, upon request, certain documents;
- prohibits a declarant from selling a part of a common area during the period of administrative control under certain circumstances; and
- prohibits a homeowners' association from charging any costs associated with producing certain documents.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

29 **Utah Code Sections Affected:**

30 AMENDS:

- 31 **57-1-46**, as last amended by Laws of Utah 2024, Chapter 431
- 32 **57-8-8.1**, as last amended by Laws of Utah 2024, Chapters 115, 519
- 33 **57-8-17**, as last amended by Laws of Utah 2022, Chapter 439
- 34 **57-8-32**, as last amended by Laws of Utah 2024, Chapter 519
- 35 **57-8-39**, as last amended by Laws of Utah 2017, Chapter 324
- 36 **57-8a-104**, as last amended by Laws of Utah 2015, Chapters 34, 325 and 387
- 37 **57-8a-201**, as enacted by Laws of Utah 2004, Chapter 153
- 38 **57-8a-227**, as last amended by Laws of Utah 2022, Chapter 439
- 39 **57-8a-232**, as enacted by Laws of Utah 2024, Chapter 519

40 ENACTS:

- 41 **13-75-101**, Utah Code Annotated 1953
- 42 **13-75-102**, Utah Code Annotated 1953
- 43 **13-75-103**, Utah Code Annotated 1953
- 44 **13-75-104**, Utah Code Annotated 1953

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

47 Section 1. Section **13-75-101** is enacted to read:

48 **Part 1. Office of the Homeowners' Association Ombudsman**

49 **13-75-101 . Definitions.**

50 As used in this part:

- 51 (1) "Association of lot owners" means an association as that term is defined in Section
- 52 57-8a-102.
- 53 (2) "Association of unit owners" means the same as that term is defined in Section 57-8-3.
- 54 (3) "Department" means the Department of Commerce created in Section 13-1-2.
- 55 (4) "Governing documents of an association of lot owners" means the same as governing
- 56 documents as that term is defined in Section 57-8a-102.
- 57 (5) "Governing documents of an association of unit owners" means the same as governing
- 58 documents as that term is defined in Section 57-8-3.
- 59 (6) "Lot owner" means the same as that term is defined in Section 57-8a-102.
- 60 (7) "Office" means the Office of the Homeowners' Association Ombudsman created in
- 61 Subsection 13-75-102(1).
- 62 (8) "Unit owner" means the same as that term is defined in Section 57-8-3.

63 Section 2. Section **13-75-102** is enacted to read:

64 **13-75-102 . Creation of Office of the Homeowners' Association Ombudsman.**

- 65 (1) There is created an Office of the Homeowners' Association Ombudsman in the  
66 department.
- 67 (2) The executive director of the department shall appoint attorneys with background or  
68 expertise in real estate law to fill legal positions within the office in the department.
- 69 (3) An individual appointed under this section is an exempt employee.

70 Section 3. Section **13-75-103** is enacted to read:

71 **13-75-103 . Duties and jurisdiction of office.**

- 72 (1) The attorneys of the office shall:
- 73 (a) develop and maintain expertise in and understanding of issues impacting unit  
74 owners, lot owners, associations of lot owners, and associations of unit owners; and
- 75 (b) upon request:
- 76 (i) analyze a complaint from a lot owner, a unit owner, an association of lot owners,  
77 or an association of unit owners regarding the unlawful conduct of a lot owner, a  
78 unit owner, an association of lot owners, or an association of unit owners; and
- 79 (ii) provide an advisory opinion as described in Section 13-75-104.
- 80 (2)(a) Neither the office nor the office's attorneys may represent private parties, state  
81 agencies, local governments, or any other individual or entity in a legal action that  
82 arises from or relates to a matter addressed in this chapter.
- 83 (b) No attorney of the office may be compelled to testify in a civil action filed  
84 concerning the subject matter of any review or advisory opinion arranged through the  
85 office.
- 86 (3) Except as provided in Section 13-75-105, evidence of a review by the office and the  
87 opinions, writings, findings, and determinations of the office are not admissible as  
88 evidence in a judicial action.
- 89 (4) The office:
- 90 (a) shall analyze a complaint and issue an advisory opinion only for issues relating to a  
91 violation of the law; and
- 92 (b) may not provide any service that requires interpreting the governing documents of an  
93 association of lot owners or the governing documents of an association of unit  
94 owners, unless the complaint alleges the governing documents of an association of lot  
95 owners or the governing documents of an association of unit owners contain at least  
96 one provision that violates the law.

97 Section 4. Section **13-75-104** is enacted to read:

98 **13-75-104 . Advisory opinion -- Process of advisory opinions.**

- 99 (1) A lot owner, a unit owner, an association of lot owners, or an association of unit owners  
100 may request a written advisory opinion:  
101 (a) from the office to determine compliance with:  
102 (i) Title 57, Chapter 8, Condominium Ownership Act, and Title 57, Chapter 8a,  
103 Community Association Act; or  
104 (ii) other applicable laws of this state; and  
105 (b) at any time before a court with jurisdiction issues a final decision regarding the issue  
106 of the requested opinion.
- 107 (2) A person making a request for an advisory opinion described in Subsection (1) shall:  
108 (a) file the request with the office; and  
109 (b) pay a filing fee of \$150.
- 110 (3) The office may establish policies providing for partial fee waivers for a person who is  
111 financially unable to pay the entire fee described in Subsection (2)(b).
- 112 (4)(a) The office may not issue an advisory opinion unless the person requesting an  
113 advisory opinion exhausts all existing remedies provided in:  
114 (i) the governing documents of an association of lot owners, if the dispute involves a  
115 lot owner; or  
116 (ii) the governing documents of an association of unit owners, if the dispute involves  
117 a unit owner.
- 118 (b) A person requesting an advisory opinion shall include in the person's complaint a  
119 description of how that person exhausted all existing remedies provided in the  
120 applicable governing documents.
- 121 (5) Upon receipt of a request for an advisory opinion, the office shall:  
122 (a) inquire of all parties if there are other necessary parties to the dispute; and  
123 (b) deliver notice of the request to the opposing parties indicated in the request and any  
124 other necessary party identified in accordance with Subsection (5)(a).
- 125 (6) Subject to Subsection (7), after analyzing a complaint, the office shall:  
126 (a) issue a written advisory opinion addressing the issues described in the request for an  
127 advisory opinion;  
128 (b) include in the advisory opinion a statement of the facts and law supporting the  
129 opinion's conclusions; and  
130 (c) deliver copies of the advisory opinion to all necessary parties identified in

- 131 accordance with Subsection (5)(a).
- 132 (7)(a) The office shall issue a written statement declining to issue an advisory opinion  
133 when, in the opinion of the office:
- 134 (i) the issues are not ripe for review; or  
135 (ii) the issues raised are beyond the scope of the office's statutory duty to review.
- 136 (b) Notwithstanding Subsection (7)(a), the office is not required to issue a written  
137 statement, and may decline to review a request, if the request deals solely with a  
138 contractual dispute.
- 139 (8) The party that requests the advisory opinion shall pay the filing fee described in  
140 Subsection (2)(b), unless the office issues an advisory opinion in favor of the party that  
141 requests the advisory opinion, in which case all necessary parties shall share the cost of  
142 the filing fee equally.
- 143 (9) An advisory opinion issued as described in Subsection (6) is neither binding on any  
144 party to, nor admissible as evidence in, a dispute involving an association of lot owners  
145 or an association of unit owners, except as provided in Subsection (10).
- 146 (10)(a) As used in this Subsection (10), "qualifying conditions" means the office issues  
147 an advisory opinion described in this section, the same issue that is the subject of the  
148 advisory opinion is subsequently litigated in court, and the court rules in favor of the  
149 same party as the advisory opinion in a final judgment.
- 150 (b) If the qualifying conditions are met, the court may award the substantially prevailing  
151 party:
- 152 (i) reasonable attorney fees and court costs relating to the development of the cause  
153 of action from the date the office delivers the advisory opinion to the date of the  
154 court's resolution; and
- 155 (ii) if the court finds that the opposing party knowingly and intentionally violated the  
156 law governing the cause of action, a civil penalty of \$250 for each day described  
157 in Subsection (11).
- 158 (11) The civil penalty described in Subsection (10)(b):
- 159 (a) begins to accrue on the later of:
- 160 (i) 30 days after the day on which the office delivers the advisory opinion; or  
161 (ii) the day on which the substantially prevailing party or opposing party filed the  
162 action in court; and
- 163 (b) ends the day on which the court enters a final judgment.

164 Section 5. Section **57-1-46** is amended to read:

165 **57-1-46 . Transfer fee and reinvestment fee covenants.**

166 (1) As used in this section:

167 (a) "Association expenses" means expenses incurred by a common interest association  
168 for:169 [~~(i)~~] ~~the administration of the common interest association;~~]170 [~~(ii)~~] (i) the purchase, ownership, leasing, construction, operation, use, administration,  
171 maintenance, improvement, repair, or replacement of association facilities,  
172 including expenses for taxes, insurance, operating reserves, capital reserves, and  
173 emergency funds;174 [~~(iii)~~] (ii) providing, establishing, creating, or managing a facility, activity, service, or  
175 program for the benefit of property owners, tenants, common areas, the burdened  
176 property, or property governed by the common interest association; or177 [~~(iv)~~] (iii) other facilities, activities, services, or programs that are required or  
178 permitted under the common interest association's organizational documents.179 (b) "Association facilities" means any real property, improvements on real property, or  
180 personal property owned, leased, constructed, developed, managed, or used by a  
181 common interest association, including common areas.182 (c) "Association transfer fee" means a fee, charge, or payment that is:183 (i) related to the sale of real property; and184 (ii) as a result of a transfer of the real property, is imposed on a buyer or seller by:185 (A) a common interest association; or186 (B) a person acting on behalf of the common interest association.187 [~~(e)~~] (d) "Burdened property" means the real property that is subject to a reinvestment fee  
188 covenant or transfer fee covenant.189 [~~(d)~~] (e) "Common areas" means areas described within:

190 (i) the definition of "common areas and facilities" under Section 57-8-3; and

191 (ii) the definition of "common areas" under Section 57-8a-102.

192 [~~(e)~~] (f)(i) "Common interest association" means:193 [~~(i)~~] ~~means:~~

194 (A) an association, as defined in Section 57-8a-102;

195 (B) an association of unit owners, as defined in Section 57-8-3; or

196 (C) a nonprofit association~~[; and]~~ .197 (ii) "Common interest association" includes a person authorized by an association,  
198 association of unit owners, or nonprofit association~~[; as the case may be].~~

- 199        ~~[(f)]~~ (g) "Large master planned development" means an approved development:
- 200            (i) of at least 500 acres or 500 units; and
- 201            (ii) that includes a commitment to fund, construct, develop, or maintain:
- 202                (A) common infrastructure;
- 203                (B) association facilities;
- 204                (C) community programming;
- 205                (D) resort facilities;
- 206                (E) open space; or
- 207                (F) recreation amenities.
- 208        ~~[(g)]~~ (h) "Nonprofit association" means a nonprofit corporation organized under Title 16,
- 209            Chapter 6a, Utah Revised Nonprofit Corporation Act, to benefit, enhance, preserve,
- 210            govern, manage, or maintain burdened property.
- 211        ~~[(h)]~~ (i) "Organizational documents" means:
- 212            (i) for an association, as defined in Section 57-8a-102, ~~[means-]~~governing documents
- 213                as defined in Section 57-8a-102;
- 214            (ii) for an association of unit owners, as defined in Section 57-8-3, ~~[means-]~~a
- 215                declaration as defined in Section 57-8-3; and
- 216            (iii) for a nonprofit association:
- 217                (A) ~~[means-]~~a written instrument by which the nonprofit association exercises
- 218                    powers or manages, maintains, or otherwise affects the property under the
- 219                    jurisdiction of the nonprofit association; and
- 220                (B) ~~[includes-]~~articles of incorporation, bylaws, plats, charters, the nonprofit
- 221                    association's rules, and declarations of covenants, conditions, and restrictions.
- 222        (j) "Reinvestment fee" means a fee imposed, directly or indirectly, by a common interest
- 223            association:
- 224                (i) upon a buyer or seller of real property;
- 225                (ii) upon and as a result of a transfer of the real property; and
- 226                (iii) that is dedicated to benefiting the common areas, including payment for:
- 227                    (A) common planning, facilities, and infrastructure;
- 228                    (B) obligations arising from an environmental covenant;
- 229                    (C) community programming;
- 230                    (D) resort facilities;
- 231                    (E) open space;
- 232                    (F) recreation amenities;

233 (G) charitable purposes; or

234 (H) association expenses.

235 [(+)] (k) "Reinvestment fee covenant" means a covenant, restriction, or agreement that:

236 (i) affects real property; and

237 (ii) obligates a future buyer or seller of the real property to pay to a common interest  
238 association, upon and as a result of a transfer of the real property, a fee that is  
239 dedicated to benefitting the burdened property, including payment for:

240 (A) common planning, facilities, and infrastructure;

241 (B) obligations arising from an environmental covenant;

242 (C) community programming;

243 (D) resort facilities;

244 (E) open space;

245 (F) recreation amenities;

246 (G) charitable purposes; or

247 (H) association expenses.

248 [(+)] (l) "Transfer fee covenant":

249 (i) means an obligation, however denominated, expressed in a covenant, restriction,  
250 agreement, or other instrument or document:

251 (A) that affects real property;

252 (B) that is imposed on a future buyer or seller of real property, other than a person  
253 who is a party to the covenant, restriction, agreement, or other instrument or  
254 document; and

255 (C) to pay a fee upon and as a result of a transfer of the real property; and

256 (ii) does not include:

257 (A) an obligation imposed by a court judgment, order, or decree;

258 (B) an obligation imposed by the federal government or a state or local  
259 government entity; or

260 (C) a reinvestment fee covenant.

261 (2) A transfer fee covenant recorded on or after March 16, 2010, is void and unenforceable.

262 (3)(a) Except as provided in Subsection (3)(b), a reinvestment fee covenant may not be  
263 sold, assigned, or conveyed unless the sale, assignment, or conveyance is to a  
264 common interest association that was formed to benefit the burdened property.

265 (b) A common interest association may assign or pledge to a lender the right to receive  
266 payment under a reinvestment fee covenant if:



- 267 (i) the assignment or pledge is as collateral for a credit facility; and  
268 (ii) the lender releases the collateral interest upon payment in full of all amounts that  
269 the common interest association owes to the lender under the credit facility.
- 270 (4) A reinvestment fee covenant recorded on or after March 16, 2010, is not enforceable if  
271 the reinvestment fee covenant is intended to affect property that is the subject of a  
272 previously recorded transfer fee covenant or reinvestment fee covenant.
- 273 (5) A reinvestment fee covenant recorded on or after March 16, 2010, may not obligate the  
274 payment of a fee that exceeds .5% of the value of the burdened property, unless the  
275 burdened property is part of a large master planned development.
- 276 (6)(a) A reinvestment fee covenant recorded on or after March 16, 2010, is void and  
277 unenforceable unless a notice of reinvestment fee covenant, separate from the  
278 reinvestment fee covenant, is recorded in the office of the recorder of each county in  
279 which any of the burdened property is located.
- 280 (b) A notice under Subsection (6)(a) shall:
- 281 (i) state the name and address of the common interest association to which the fee  
282 under the reinvestment fee covenant is required to be paid;
- 283 (ii) include the notarized signature of the common interest association's authorized  
284 representative;
- 285 (iii) state that the burden of the reinvestment fee covenant is intended to run with the  
286 land and to bind successors in interest and assigns;
- 287 (iv) state that the existence of the reinvestment fee covenant precludes the imposition  
288 of an additional reinvestment fee covenant on the burdened property;
- 289 (v) state the duration of the reinvestment fee covenant;
- 290 (vi) state the purpose of the fee required to be paid under the reinvestment fee  
291 covenant; and
- 292 (vii) state that the fee required to be paid under the reinvestment fee covenant is  
293 required to benefit the burdened property.
- 294 (c) A recorded notice of reinvestment fee covenant that substantially complies with the  
295 requirements of Subsection (6)(b) is valid and effective.
- 296 (7)(a) A reinvestment fee covenant or transfer fee covenant recorded before March 16,  
297 2010, is not enforceable after May 31, 2010, unless:
- 298 (i) a notice that is consistent with the notice described in Subsection (6) is recorded in  
299 the office of the recorder of each county in which any of the burdened property is  
300 located; or

- 301 (ii) a notice of reinvestment fee covenant or transfer fee covenant, as described in  
302 Subsection (7)(b), is recorded in the office of the recorder of each county in which  
303 any of the burdened property is located.
- 304 (b) A notice under Subsection (7)(a)(ii) shall:
- 305 (i) include the notarized signature of the beneficiary of the reinvestment fee covenant  
306 or transfer fee covenant, or the beneficiary's authorized representative;
- 307 (ii) state the name and current address of the beneficiary under the reinvestment fee  
308 covenant or transfer fee covenant;
- 309 (iii) state that the burden of the reinvestment fee covenant or transfer fee covenant is  
310 intended to run with the land and to bind successors in interest and assigns; and  
311 (iv) state the duration of the reinvestment fee covenant or transfer fee covenant.
- 312 (c) A recorded notice of reinvestment fee covenant or transfer fee covenant that  
313 substantially complies with the requirements of Subsection (7)(b) is valid and  
314 effective.
- 315 (d) A notice under Subsection (7)(b):
- 316 (i) that is recorded after May 31, 2010, is not enforceable; and  
317 (ii) shall comply with the requirements of Section 57-1-47.
- 318 (e) An amendment to a notice under Subsection (7)(b) recorded after May 31, 2010,  
319 seeking to amend a notice under Subsection (7)(b) recorded before May 31, 2010, is  
320 not an enforceable amendment.
- 321 (8) A reinvestment fee covenant recorded on or after March 16, 2010, may not be enforced  
322 upon:
- 323 (a) an involuntary transfer;
- 324 (b) a transfer that results from a court order;
- 325 (c) a bona fide transfer to a family member of the seller within three degrees of  
326 consanguinity who, before the transfer, provides adequate proof of consanguinity;
- 327 (d) a transfer or change of interest due to death, whether provided in a will, trust, or  
328 decree of distribution; or
- 329 (e) the transfer of burdened property by a financial institution, except to the extent that  
330 the reinvestment fee covenant requires the payment of a common interest  
331 association's costs directly related to the transfer of the burdened property, not to  
332 exceed \$250.
- 333 (9) An association transfer fee imposed on or after May 7, 2025, is void and unenforceable  
334 unless:

- 335 (a) the association uses the fee only to pay expenses related to the transfer; and  
336 (b) the fee does not exceed \$100.  
337 (10) An association may not impose or set the amount of a reinvestment fee unless a  
338 majority of voting interests in the association, or a higher percentage if required in the  
339 organizational documents, approves the reinvestment fee.

340 Section 6. Section **57-8-8.1** is amended to read:

341 **57-8-8.1 . Equal treatment by rules required -- Limits on rules.**

- 342 (1)(a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated unit  
343 owners similarly.
- 344 (b) Notwithstanding Subsection (1)(a), a rule may:
- 345 (i) vary according to the level and type of service that the association of unit owners  
346 provides to unit owners;
  - 347 (ii) differ between residential and nonresidential uses; or
  - 348 (iii) for a unit that a unit owner leases for a term of less than 30 days, impose a  
349 reasonable limit on the number of individuals that may use the common areas and  
350 facilities as the rental unit tenant's guest or as the unit owner's guest.
- 351 (2)(a) If a unit owner owns a rental unit and is in compliance with the association of unit  
352 owners' governing documents and any rule that the association of unit owners adopts  
353 under Subsection (5), a rule may not treat the unit owner differently because the unit  
354 owner owns a rental unit.
- 355 (b) Notwithstanding Subsection (2)(a), a rule may:
- 356 (i) limit or prohibit a rental unit owner from using the common areas and facilities for  
357 purposes other than attending an association meeting or managing the rental unit;
  - 358 (ii) if the rental unit owner retains the right to use the association of unit owners'  
359 common areas and facilities, even occasionally:
    - 360 (A) charge a rental unit owner a fee to use the common areas and facilities; and
    - 361 (B) for a unit that a unit owner leases for a term of less than 30 days, impose a  
362 reasonable limit on the number of individuals that may use the common areas  
363 and facilities as the rental unit tenant's guest or as the unit owner's guest; or
  - 364 (iii) include a provision in the association of unit owners' governing documents that:
    - 365 (A) requires each tenant of a rental unit to abide by the terms of the governing  
366 documents; and
    - 367 (B) holds the tenant and the rental unit owner jointly and severally liable for a  
368 violation of a provision of the governing documents.

- 369 (3)(a) A rule may not interfere with the freedom of a unit owner to determine the  
370 composition of the unit owner's household.
- 371 (b) Notwithstanding Subsection (3)(a), an association of unit owners may:  
372 (i) require that all occupants of a dwelling be members of a single housekeeping unit;  
373 or  
374 (ii) limit the total number of occupants permitted in each residential dwelling on the  
375 basis of the residential dwelling's:  
376 (A) size and facilities; and  
377 (B) fair use of the common areas and facilities.
- 378 (4) Unless contrary to a declaration, a rule may require a minimum lease term.
- 379 (5) [~~Unless otherwise provided in the declaration, an~~] An association of unit owners may by  
380 rule:  
381 (a) unless otherwise provided in the declaration:  
382 (i) regulate the use, maintenance, repair, replacement, and modification of common  
383 areas and facilities; and  
384 [~~(b)~~] (ii) impose and receive any payment, fee, or charge for:  
385 [(~~i~~)] (A) the use, rental, or operation of the common areas, except limited common  
386 areas and facilities; [~~and~~] or  
387 [(~~ii~~)] (B) a service provided to a unit owner;  
388 [(~~e~~)] (b) impose[~~a charge~~] , for a late payment of an assessment:  
389 (i) a monthly penalty, not to exceed the lesser of:  
390 (A) 5% of the assessment amount; or  
391 (B) \$50; and  
392 (ii) interest on the assessment and penalty of up to 1.5% per month; or  
393 [(~~d~~)] (c) provide for the indemnification of the association of unit owners' officers and  
394 management committee consistent with Title 16, Chapter 6a, Utah Revised Nonprofit  
395 Corporation Act.
- 396 (6)(a) Except as provided in Subsection (6)(b), a rule may not prohibit a unit owner from  
397 installing a personal security camera immediately adjacent to the entryway, window,  
398 or other outside entry point of the owner's condominium unit.
- 399 (b) A rule may prohibit a unit owner from installing a personal security camera in a  
400 common area not physically connected to the owner's unit.
- 401 (7)(a) A rule may not abridge the right of a unit owner to display a religious or holiday  
402 sign, symbol, or decoration inside the owner's condominium unit.

- 403 (b) An association may adopt a reasonable time, place, and manner restriction with  
404 respect to a display that is visible from the exterior of a unit.
- 405 (8)(a) A rule may not:
- 406 (i) prohibit a unit owner from displaying in a window of the owner's condominium  
407 unit:
- 408 (A) a for-sale sign; or  
409 (B) a political sign;
- 410 (ii) regulate the content of a political sign; or  
411 (iii) establish design criteria for a political sign.
- 412 (b) Notwithstanding Subsection (8)(a), a rule may reasonably regulate the size and time,  
413 place, and manner of posting a for-sale sign or a political sign.
- 414 (9) For any area for which one or more unit owners are responsible for landscape  
415 maintenance, the association of unit owners:
- 416 (a) shall adopt rules supporting water wise landscaping, including:
- 417 (i) low water use requirements on lawns during drought conditions;  
418 (ii) design criterion for water wise landscaping; and  
419 (iii) limiting permissible plant material to specific water wise plant material;
- 420 (b) may not prohibit low water use on lawns during drought conditions; and  
421 (c) may not prohibit or restrict the conversion of a grass park strip to water-efficient  
422 landscaping.
- 423 (10) A rule may restrict a sex offender from accessing a protected area that is maintained,  
424 operated, or owned by the association, subject to the exceptions described in Subsection  
425 77-27-21.7(3).
- 426 (11)(a) Except as provided in this Subsection (11), a rule may not prohibit a unit owner  
427 from making modifications, consistent with industry standards, for radon mitigation.
- 428 (b) Subsection (11)(a) does not apply if the modifications would violate:
- 429 (i) a local land use ordinance;  
430 (ii) a building code;  
431 (iii) a health code; or  
432 (iv) a fire code.
- 433 (c) A rule governing the placement or external appearance of modifications may apply to  
434 modifications for radon mitigation unless the rule would:
- 435 (i) unreasonably interfere with the modifications' functionality; or  
436 (ii) add more than 40% of the modifications' original cost to the cost of installing the

437 modifications.

438 (d) A rule may require that a unit owner making modifications related to radon  
439 mitigation:

440 (i) demonstrate or provide proof of radon contamination; and

441 (ii) provide proof that the modifications and any related construction will be  
442 performed by a licensed person.

443 (12) A rule shall be reasonable.

444 (13) A declaration, or an amendment to a declaration, may vary any of the requirements of  
445 Subsections (1) through (5), except Subsection (1)(b)(ii).

446 (14) This section applies to an association of unit owners regardless of when the association  
447 of unit owners is created.

448 Section 7. Section **57-8-17** is amended to read:

449 **57-8-17 . Records -- Availability for examination.**

450 (1)(a) Subject to Subsection (1)(b) and regardless of whether the association of unit  
451 owners is incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit  
452 Corporation Act, an association of unit owners shall keep and make available to unit  
453 owners:

454 (i) each record identified in Subsections 16-6a-1601(1) through (5), in accordance  
455 with Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and  
456 16-6a-1610;[~~and~~]

457 (ii) a copy of the association's:

458 (A) governing documents;

459 (B) most recent approved minutes;

460 (C) most recent annual budget and financial statement;

461 (D) most recent reserve analysis;[~~and~~]

462 (E) certificate of insurance for each insurance policy the association of unit  
463 owners holds[-] ;

464 (F) management committee meeting minutes from the previous three calendar  
465 years;

466 (G) a profit and loss statement for the previous three fiscal years; and

467 (H) a balance sheet for the previous three fiscal years; and

468 (iii) a copy of each service contract to which the association is currently a party.

469 (b) An association of unit owners may redact the following information from any  
470 document the association of unit owners produces for inspection or copying:

- 471 (i) a Social Security number;
- 472 (ii) a bank account number; or
- 473 (iii) any communication subject to attorney-client privilege.
- 474 (2)(a) In addition to the requirements described in Subsection (1), an association of unit
- 475 owners shall:
- 476 (i) make documents available to unit owners in accordance with the association of
- 477 unit owners' governing documents; and
- 478 (ii)(A) if the association of unit owners has an active website, make the documents
- 479 described in Subsections (1)(a)(ii)(A) through (C) available to unit owners, free
- 480 of charge, through the website; or
- 481 (B) if the association of unit owners does not have an active website, make
- 482 physical copies of the documents described in Subsections (1)(a)(ii)(A)
- 483 through (C) available to unit owners during regular business hours at the
- 484 association of unit owners' address registered with the Department of
- 485 Commerce under Section 57-8-13.1.
- 486 (b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
- 487 (c) If a provision of an association of unit owners' governing documents conflicts with a
- 488 provision of this section, the provision of this section governs.
- 489 (3) In a written request to inspect or copy documents:
- 490 (a) a unit owner shall include:
- 491 (i) the association of unit owners' name;
- 492 (ii) the unit owner's name;
- 493 (iii) the unit owner's property address;
- 494 (iv) the unit owner's email address;
- 495 (v) a description of the documents requested; and
- 496 (vi) any election or request described in Subsection (3)(b); and
- 497 (b) a unit owner may:
- 498 (i) elect whether to inspect or copy the documents;
- 499 (ii) if the unit owner elects to copy the documents, request hard copies or electronic
- 500 scans of the documents; or
- 501 (iii) subject to Subsection (4), request that:
- 502 (A) the association of unit owners make the copies or electronic scans of the
- 503 requested documents;
- 504 (B) a recognized third party duplicating service make the copies or electronic

- 505 scans of the requested documents;
- 506 (C) the unit owner be allowed to bring any necessary imaging equipment to the  
507 place of inspection and make copies or electronic scans of the documents while  
508 inspecting the documents; or
- 509 (D) the association of unit owners email the requested documents to an email  
510 address provided in the request.
- 511 (4)(a) An association of unit owners shall comply with a request described in Subsection  
512 (3) within two weeks after the day on which the association of unit owners receives  
513 the request.
- 514 (b) If an association of unit owners produces the copies or electronic scans:
- 515 (i) the copies or electronic scans shall be legible and accurate; ~~and~~
- 516 (ii) the unit owner shall pay the association of unit owners the reasonable cost of the  
517 copies ~~[or electronic scans]~~ and for time spent meeting with the unit owner, which  
518 may not exceed:
- 519 (A) the actual cost that the association of unit owners paid to a recognized third  
520 party duplicating service to make the copies or electronic scans; or
- 521 (B) 10 cents per page and \$15 per hour for the employee's, manager's, or other  
522 agent's time making the copies or electronic scans~~[-]~~; and
- 523 (iii) the association may not charge the unit owner for any costs associated with  
524 fulfilling a request for the electronic transmission of the documents described in  
525 Subsection (3).
- 526 (c) If a unit owner requests a recognized third party duplicating service make the copies  
527 or electronic scans:
- 528 (i) the association of unit owners shall arrange for the delivery and pick up of the  
529 original documents; and
- 530 (ii) the unit owner shall pay the duplicating service directly.
- 531 (d) Subject to Subsection (9), if a unit owner requests to bring imaging equipment to the  
532 inspection, the association of unit owners shall provide the necessary space, light, and  
533 power for the imaging equipment.
- 534 (5) If, in response to a unit owner's request to inspect or copy documents, an association of  
535 unit owners fails to comply with a provision of this section, the association of unit  
536 owners shall pay:
- 537 (a) the reasonable costs of inspecting and copying the requested documents;
- 538 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the unit owner



- 539 who made the request for each day the request continues unfulfilled, beginning the  
540 sixth day after the day on which the unit owner made the request; and
- 541 (c) reasonable attorney fees and costs incurred by the unit owner in obtaining the  
542 inspection and copies of the requested documents.
- 543 (6)(a) In addition to any remedy in the association of unit owners' governing documents  
544 or as otherwise provided by law, a unit owner may file an action in court under this  
545 section if:
- 546 (i) subject to Subsection (9), an association of unit owners fails to make documents  
547 available to the unit owner in accordance with this section, the association of unit  
548 owners' governing documents, or as otherwise provided by law; and
- 549 (ii) the association of unit owners fails to timely comply with a notice described in  
550 Subsection (6)(d).
- 551 (b) In an action described in Subsection (6)(a):
- 552 (i) the unit owner may request:
- 553 (A) injunctive relief requiring the association of unit owners to comply with the  
554 provisions of this section;
- 555 (B) \$500 or actual damage, whichever is greater; or
- 556 (C) any other relief provided by law; and
- 557 (ii) the court shall award costs and reasonable attorney fees to the prevailing party,  
558 including any reasonable attorney fees incurred before the action was filed that  
559 relate to the request that is the subject of the action.
- 560 (c)(i) In an action described in Subsection (6)(a), upon motion by the unit owner,  
561 notice to the association of unit owners, and a hearing in which the court finds a  
562 likelihood that the association of unit owners failed to comply with a provision of  
563 this section, the court shall order the association of unit owners to immediately  
564 comply with the provision.
- 565 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days  
566 after the day on which the unit owner files the motion.
- 567 (d) At least 10 days before the day on which a unit owner files an action described in  
568 Subsection (6)(a), the unit owner shall deliver a written notice to the association of  
569 unit owners that states:
- 570 (i) the unit owner's name, address, telephone number, and email address;
- 571 (ii) each requirement of this section with which the association of unit owners has  
572 failed to comply;

- 573 (iii) a demand that the association of unit owners comply with each requirement with  
574 which the association of unit owners has failed to comply; and  
575 (iv) a date by which the association of unit owners shall remedy the association of  
576 unit owners' noncompliance that is at least 10 days after the day on which the unit  
577 owner delivers the notice to the association of unit owners.

578 (7)(a) The provisions of Section 16-6a-1604 do not apply to an association of unit  
579 owners.

580 (b) The provisions of this section apply regardless of any conflicting provision in Title  
581 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

582 (8) A unit owner's agent may, on the unit owner's behalf, exercise or assert any right that  
583 the unit owner has under this section.

584 (9) An association of unit owners is not liable for identifying or providing a document in  
585 error, if the association of unit owners identified or provided the erroneous document in  
586 good faith.

587 Section 8. Section **57-8-32** is amended to read:

588 **57-8-32 . Sale of property and common areas and facilities.**

589 (1) Subject to Subsection 10-9a-605(5) or 17-27a-606(5), unless otherwise provided in the  
590 declaration or bylaws, and notwithstanding the provisions of Sections 57-8-30 and  
591 57-8-31, the unit owners may by an affirmative vote of at least 67% of unit owners, elect  
592 to sell, convey, transfer, or otherwise dispose of the property or all or part of the  
593 common areas and facilities.

594 (2) An affirmative vote described in Subsection (1) is binding upon all unit owners, and  
595 each unit owner shall execute and deliver the appropriate instruments and perform all  
596 acts as necessary to effect the sale, conveyance, transfer, or other disposition of the  
597 property or common areas and facilities.

598 (3) The general easement of ingress, egress, and use of the common areas and facilities  
599 granted to an association and unit owners through recorded governing documents is  
600 extinguished in any portion of the common areas and facilities the unit owners sell,  
601 convey, transfer, or otherwise dispose of, if:

602 (a) the unit owners, in selling, conveying, transferring, or otherwise disposing of the  
603 portion of the common areas and facilities, comply with:

604 (i) the provisions of this section; and

605 (ii) Section 10-9a-606 or 17-27a-606; and

606 (b) the sale, conveyance, transfer, or other disposition of the portion of the common

607 areas and facilities results in a person other than the association or a unit owner  
608 owning the portion of the common areas and facilities.

609 (4) This section applies to an association of unit owners regardless of when the association  
610 of unit owners is created.

611 (5) A declarant may not sell any part of the common areas and facilities during the period  
612 of administrative control, except as provided in Section 10-9a-606 or 17-27a-606.

613 Section 9. Section **57-8-39** is amended to read:

614 **57-8-39 . Limitation on requirements for amending governing documents --**

615 **Limitation on contracts.**

616 (1)(a)(i) To amend the governing documents, the governing documents may not  
617 require:

618 [~~(A) for an amendment adopted after the period of administrative control, the vote~~  
619 ~~or approval of unit owners with more than 67% of the voting interests;]~~

620 [~~(B)~~] (A) the approval of any specific unit owner; or

621 [~~(C)~~] (B) the vote or approval of lien holders holding more than 67% of the first  
622 position security interests secured by a mortgage or trust deed in the  
623 association of unit owners.

624 (ii) To adopt an amendment after the period of administrative control, the governing  
625 documents shall require the vote or approval of unit owners with a majority of the  
626 voting interests, or a higher percentage if required in the organizational documents.

627 [~~(iii)~~] (iii) Any provision in the governing documents that prohibits a vote or approval  
628 to amend any part of the governing documents during a particular time period is  
629 invalid.

630 (b) Subsection (1)(a) does not apply to an amendment affecting only:

631 (i) the undivided interest of each unit owner in the common areas and facilities, as  
632 expressed in the declaration;

633 (ii) unit boundaries; or

634 (iii) unit owners' voting rights.

635 (c) The management committee may not amend the declaration.

636 (2)(a) A contract for services such as garbage collection, maintenance, lawn care, or  
637 snow removal executed on behalf of the association of unit owners during a period of  
638 administrative control is binding beyond the period of administrative control unless  
639 terminated by the management committee after the period of administrative control  
640 ends.

641 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,  
 642 cable services, and other similar services that require an investment of infrastructure  
 643 or capital.

644 (3) Voting interests under Subsection (1) are calculated in the manner required by the  
 645 governing documents.

646 (4) Nothing in this section affects any other rights reserved by the declarant.

647 (5) This section applies to an association of unit owners regardless of when the association  
 648 of unit owners is created.

649 Section 10. Section **57-8a-104** is amended to read:

650 **57-8a-104 . Limitation on requirements for amending governing documents --**

651 **Limitation on contracts.**

652 (1)(a)(i) To amend the governing documents, the governing documents may not  
 653 require:

654 [~~(A)~~ for an amendment adopted after the period of administrative control, the vote  
 655 or approval of lot owners with more than 67% of the voting interests;]

656 [~~(B)~~] (A) the approval of any specific lot owner; or

657 [~~(C)~~] (B) the vote or approval of lien holders holding more than 67% of the first  
 658 position security interests secured by a mortgage or trust deed in the  
 659 association.

660 (ii) To adopt an amendment after the period of administrative control, the governing  
 661 documents shall require the vote or approval of lot owners with a majority of the  
 662 voting interests, or a higher percentage if required in the organizational documents.

663 [~~(ii)~~] (iii) Any provision in the governing documents that prohibits a vote or approval  
 664 to amend any part of the governing documents during a particular time period is  
 665 invalid.

666 (iv) The board may not amend the declaration.

667 (b) Subsection (1)(a) does not apply to an amendment affecting only:

668 (i) lot boundaries; or

669 (ii) lot owner's voting rights.

670 (2)(a) A contract for services such as garbage collection, maintenance, lawn care, or  
 671 snow removal executed on behalf of the association during a period of administrative  
 672 control is binding beyond the period of administrative control unless terminated by  
 673 the board of directors after the period of administrative control ends.

674 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,

675 cable services, and other similar services that require an investment of infrastructure  
676 or capital.

677 (3) Voting interests under Subsection (1) are calculated in the manner required by the  
678 governing documents.

679 (4) Nothing in this section affects any other rights reserved by the person who filed the  
680 association's original governing documents or a successor in interest.

681 (5) This section applies to an association regardless of when the association is created.

682 Section 11. Section **57-8a-201** is amended to read:

683 **57-8a-201 . Payment of a common expense or assessment -- Late fees.**

684 (1) An owner shall pay the owner's proportionate share of:

685 (a) the common expenses; and

686 (b) any other assessments levied by the association.

687 (2) A payment described in Subsection (1) shall be in the amount and at the time  
688 determined by the board of directors in accordance with the terms of the:

689 (a) declaration; or

690 (b) bylaws.

691 (3) An assessment levied against a lot is:

692 (a) a debt of the owner at the time the assessment is made; and

693 (b) collectible as a debt described in Subsection (3)(a).

694 (4) The board of directors may impose, for a late payment:

695 (a) a monthly penalty, not to exceed the lesser of:

696 (i) 5% of the assessment amount; or

697 (ii) \$50; and

698 (b) interest on the penalty of up to 1.5% per month.

699 Section 12. Section **57-8a-227** is amended to read:

700 **57-8a-227 . Records -- Availability for examination.**

701 (1)(a) Subject to Subsection (1)(b) and regardless of whether the association is  
702 incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, an  
703 association shall keep and make available to lot owners:

704 (i) each record identified in Subsections 16-6a-1601(1) through (5), in accordance  
705 with Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and  
706 16-6a-1610;[~~and~~]

707 (ii) a copy of the association's:

708 (A) governing documents;

- 709 (B) most recent approved minutes;
- 710 (C) most recent annual budget and financial statement;
- 711 (D) most recent reserve analysis;[~~and~~]
- 712 (E) certificate of insurance for each insurance policy the association holds[-] ;
- 713 (F) board meeting minutes from the previous three calendar years;
- 714 (G) a profit and loss statement for the previous three fiscal years; and
- 715 (H) a balance sheet for the previous three fiscal years; and
- 716 (iii) a copy of each service contract to which the association is currently a party.
- 717 (b) An association may redact the following information from any document the
- 718 association produces for inspection or copying:
- 719 (i) a Social Security number;
- 720 (ii) a bank account number; or
- 721 (iii) any communication subject to attorney-client privilege.
- 722 (2)(a) In addition to the requirements described in Subsection (1), an association shall:
- 723 (i) make documents available to lot owners in accordance with the association's
- 724 governing documents; and
- 725 (ii)(A) if the association has an active website, make the documents described in
- 726 Subsections (1)(a)(ii)(A) through (C) available to lot owners, free of charge,
- 727 through the website; or
- 728 (B) if the association does not have an active website, make physical copies of the
- 729 documents described in Subsections (1)(a)(ii)(A) through (C) available to lot
- 730 owners during regular business hours at the association's address registered
- 731 with the Department of Commerce under Section 57-8a-105.
- 732 (b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
- 733 (c) If a provision of an association's governing documents conflicts with a provision of
- 734 this section, the provision of this section governs.
- 735 (3) In a written request to inspect or copy documents:
- 736 (a) a lot owner shall include:
- 737 (i) the association's name;
- 738 (ii) the lot owner's name;
- 739 (iii) the lot owner's property address;
- 740 (iv) the lot owner's email address;
- 741 (v) a description of the documents requested; and
- 742 (vi) any election or request described in Subsection (3)(b); and

- 743 (b) a lot owner may:
- 744 (i) elect whether to inspect or copy the documents;
- 745 (ii) if the lot owner elects to copy the documents, request hard copies or electronic
- 746 scans of the documents; or
- 747 (iii) subject to Subsection (4), request that:
- 748 (A) the association make the copies or electronic scans of the requested
- 749 documents;
- 750 (B) a recognized third party duplicating service make the copies or electronic
- 751 scans of the requested documents;
- 752 (C) the lot owner be allowed to bring any necessary imaging equipment to the
- 753 place of inspection and make copies or electronic scans of the documents while
- 754 inspecting the documents; or
- 755 (D) the association email the requested documents to an email address provided in
- 756 the request.
- 757 (4)(a) An association shall comply with a request described in Subsection (3) within two
- 758 weeks after the day on which the association receives the request.
- 759 (b) If an association produces the copies or electronic scans:
- 760 (i) the copies or electronic scans shall be legible and accurate; ~~and~~
- 761 (ii) the lot owner shall pay the association the reasonable cost of the copies ~~or~~
- 762 ~~electronic scans~~ and for time spent meeting with the lot owner, which may not
- 763 exceed:
- 764 (A) the actual cost that the association paid to a recognized third party duplicating
- 765 service to make the copies or electronic scans; or
- 766 (B) 10 cents per page and \$15 per hour for the employee's, manager's, or other
- 767 agent's time~~[-]~~ ; and
- 768 (iii) the association may not charge the lot owner for any costs associated with
- 769 fulfilling a request for electronic transmission of the documents described in
- 770 Subsection (3).
- 771 (c) If a lot owner requests a recognized third party duplicating service make the copies
- 772 or electronic scans:
- 773 (i) the association shall arrange for the delivery and pick up of the original
- 774 documents; and
- 775 (ii) the lot owner shall pay the duplicating service directly.
- 776 (d) If a lot owner requests to bring imaging equipment to the inspection, the association

- 777 shall provide the necessary space, light, and power for the imaging equipment.
- 778 (5) Subject to Subsection (9), if, in response to a lot owner's request to inspect or copy  
779 documents, an association fails to comply with a provision of this section, the  
780 association shall pay:
- 781 (a) the reasonable costs of inspecting and copying the requested documents;
  - 782 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the lot owner  
783 who made the request for each day the request continues unfulfilled, beginning the  
784 sixth day after the day on which the lot owner made the request; and
  - 785 (c) reasonable attorney fees and costs incurred by the lot owner in obtaining the  
786 inspection and copies of the requested documents.
- 787 (6)(a) In addition to any remedy in the association's governing documents or otherwise  
788 provided by law, a lot owner may file an action in court under this section if:
- 789 (i) subject to Subsection (9), an association fails to make documents available to the  
790 lot owner in accordance with this section, the association's governing documents,  
791 or as otherwise provided by law; and
  - 792 (ii) the association fails to timely comply with a notice described in Subsection (6)(d).
- 793 (b) In an action described in Subsection (6)(a):
- 794 (i) the lot owner may request:
    - 795 (A) injunctive relief requiring the association to comply with the provisions of this  
796 section;
    - 797 (B) \$500 or actual damage, whichever is greater; or
    - 798 (C) any other relief provided by law; and
  - 799 (ii) the court shall award costs and reasonable attorney fees to the prevailing party,  
800 including any reasonable attorney fees incurred before the action was filed that  
801 relate to the request that is the subject of the action.
- 802 (c)(i) In an action described in Subsection (6)(a), upon motion by the lot owner,  
803 notice to the association, and a hearing in which the court finds a likelihood that  
804 the association failed to comply with a provision of this section, the court shall  
805 order the association to immediately comply with the provision.
- 806 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days  
807 after the day on which the lot owner files the motion.
- 808 (d) At least 10 days before the day on which a lot owner files an action described in  
809 Subsection (6)(a), the lot owner shall deliver a written notice to the association that  
810 states:



- 811 (i) the lot owner's name, address, telephone number, and email address;  
812 (ii) each requirement of this section with which the association has failed to comply;  
813 (iii) a demand that the association comply with each requirement with which the  
814 association has failed to comply; and  
815 (iv) a date by which the association shall remedy the association's noncompliance  
816 that is at least 10 days after the day on which the lot owner delivers the notice to  
817 the association.

818 (7)(a) The provisions of Section 16-6a-1604 do not apply to an association.

819 (b) The provisions of this section apply regardless of any conflicting provision in Title  
820 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

821 (8) A lot owner's agent may, on the lot owner's behalf, exercise or assert any right that the  
822 lot owner has under this section.

823 (9) An association is not liable for identifying or providing a document in error, if the  
824 association identified or provided the erroneous document in good faith.

825 Section 13. Section **57-8a-232** is amended to read:

826 **57-8a-232 . Sale of common areas.**

827 (1) Subject to Subsection 10-9a-606(5) or 17-27a-606(5), unless otherwise provided in the  
828 governing documents, an association may by an affirmative vote of at least 67% of the  
829 voting interests of the association, elect to sell, convey, transfer, or otherwise dispose of  
830 all or part of the common areas.

831 (2) An affirmative vote described in Subsection (1) is binding upon all lot owners, and each  
832 lot owner shall execute and deliver the appropriate instruments and perform all acts as  
833 necessary to effect the sale, conveyance, transfer, or other disposition of the common  
834 areas.

835 (3) The general easement of ingress, egress, and use of the common areas and facilities  
836 granted to an association and lot owners through recorded governing documents is  
837 extinguished in any portion of the common areas and facilities the association sells,  
838 conveys, transfers, or otherwise disposes of, if:

839 (a) the lot owners, in selling, conveying, transferring, or otherwise disposing of the  
840 portion of the common areas, comply with:

841 (i) the provisions of this section; and

842 (ii) Section 10-9a-606 or 17-27a-606; and

843 (b) the sale, conveyance, transfer, or other disposition of the portion of the common

844 areas results in a person other than the association or a lot owner owning the portion

845 of the common areas and facilities.

846 (4) This section applies to an association regardless of when the association is created.

847 (5) A declarant may not sell any part of the common areas during the period of

848 administrative control, except as provided in Section 10-9a-606 or 17-27a-606.

849 Section 14. **Effective Date.**

850 This bill takes effect on May 7, 2025.