

Don L. Ipson proposes the following substitute bill:

Homeowners' Association Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor: Don L. Ipson

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 that Office of the Homeowners' Association Ombudsman 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 under certain conditions;
- provides the requirements that a homeowners' association shall meet before imposing a fee or charge;
- establishes requirements for a homeowners' association to impose a reinvestment fee;
- requires that a homeowners' association notify an owner in writing of a denied unit or lot plan;
- restricts a homeowners' association from making certain rules;
- authorizes the Department of Commerce to set and impose an annual registration fee on a homeowners' association;
- requires a homeowners' association to renew the homeowners' association's registration with the Department of Commerce annually;
- sets limits on the amount a homeowners' association may charge as a late fee;

- 29 ▶ requires that a homeowners' association provide, upon request, certain documents;
- 30 ▶ increases the monetary amount a homeowners' association may charge an owner when
- 31 producing certain documents;
- 32 ▶ prohibits a declarant from selling a part of a common area during the period of
- 33 administrative control under certain circumstances;
- 34 ▶ provides new requirements to amend a homeowners' association's governing documents;
- 35 ▶ prohibits a declarant from using association funds in a legal action brought by a
- 36 homeowner against the declarant before the end of the period of administrative control;
- 37 ▶ prohibits a homeowners' association from restricting, denying, or delaying a plan due to
- 38 the plan's inclusion of a fire-resistant material in an area with a heightened risk of
- 39 wildfire;
- 40 ▶ prohibits a homeowners' association from charging any costs associated with the
- 41 electronic transmission of certain documents;
- 42 ▶ increases the monetary amount an owner may request from a homeowners' association if
- 43 the homeowners' association fails to make documents available to the owner under
- 44 certain conditions;
- 45 ▶ amends the conditions for the termination of a period of administrative control for an
- 46 association of lot owners;
- 47 ▶ provides requirements for a declarant of an association of lot owners during the period of
- 48 administrative control; and
- 49 ▶ provides a repeal date for the Office of the Homeowners' Association Ombudsman and
- 50 requires legislative review before the repeal.

51 **Money Appropriated in this Bill:**

52 None

53 **Other Special Clauses:**

54 None

55 **Utah Code Sections Affected:**

56 AMENDS:

57 **57-1-46**, as last amended by Laws of Utah 2024, Chapter 431

58 **57-8-6.7**, as enacted by Laws of Utah 2013, Chapter 152

59 **57-8-8.1**, as last amended by Laws of Utah 2024, Chapters 115, 519

60 **57-8-13.1**, as last amended by Laws of Utah 2020, Chapter 75

61 **57-8-17**, as last amended by Laws of Utah 2022, Chapter 439

62 **57-8-32**, as last amended by Laws of Utah 2024, Chapter 519

63 **57-8-39**, as last amended by Laws of Utah 2017, Chapter 324
 64 **57-8-58**, as enacted by Laws of Utah 2017, Chapter 284
 65 **57-8a-102**, as last amended by Laws of Utah 2024, Chapter 519
 66 **57-8a-104**, as last amended by Laws of Utah 2015, Chapters 34, 325 and 387
 67 **57-8a-105**, as last amended by Laws of Utah 2023, Chapter 503
 68 **57-8a-109**, as enacted by Laws of Utah 2013, Chapter 152
 69 **57-8a-201**, as enacted by Laws of Utah 2004, Chapter 153
 70 **57-8a-218**, as last amended by Laws of Utah 2024, Chapters 115, 519
 71 **57-8a-227**, as last amended by Laws of Utah 2022, Chapter 439
 72 **57-8a-229**, as enacted by Laws of Utah 2017, Chapter 284
 73 **57-8a-231**, as last amended by Laws of Utah 2024, Chapters 56, 519
 74 **57-8a-232**, as enacted by Laws of Utah 2024, Chapter 519
 75 **57-8a-502**, as last amended by Laws of Utah 2016, Chapter 210
 76 **63I-1-213**, as last amended by Laws of Utah 2024, Chapters 385, 507

77 ENACTS:

78 **13-75-101**, Utah Code Annotated 1953
 79 **13-75-102**, Utah Code Annotated 1953
 80 **13-75-103**, Utah Code Annotated 1953
 81 **13-75-104**, Utah Code Annotated 1953

82

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

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

85 **CHAPTER 75. Office of the Homeowners' Association Ombudsman**

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

87 **13-75-101 . Definitions.**

88 As used in this part:

- 89 (1) "Association of lot owners" means an association as that term is defined in Section
 90 57-8a-102.
 91 (2) "Association of unit owners" means the same as that term is defined in Section 57-8-3.
 92 (3) "Department" means the Department of Commerce created in Section 13-1-2.
 93 (4) "Governing documents of an association of lot owners" means the same as governing
 94 documents as that term is defined in Section 57-8a-102.
 95 (5) "Governing documents of an association of unit owners" means the same as governing

96 documents as that term is defined in Section 57-8-3.

97 (6) "Lot owner" means the same as that term is defined in Section 57-8a-102.

98 (7) "Office" means the Office of the Homeowners' Association Ombudsman created in
99 Section 13-75-102.

100 (8) "Unit owner" means the same as that term is defined in Section 57-8-3.

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

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

103 (1) There is created an Office of the Homeowners' Association Ombudsman in the
104 department.

105 (2) The executive director of the department shall appoint attorneys with background or
106 expertise in community association law to fill legal positions within the office in the
107 department.

108 (3) An individual appointed under this section is an exempt employee.

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

110 **13-75-103 . Duties and jurisdiction of office.**

111 (1) The attorneys of the office shall:

112 (a) develop and maintain expertise in and understanding of issues and statutes impacting
113 unit owners, lot owners, associations of lot owners, and associations of unit owners;
114 and

115 (b) upon request:

116 (i) analyze a complaint from a lot owner, a unit owner, an association of lot owners,
117 or an association of unit owners regarding the conduct of a lot owner, a unit
118 owner, an association of lot owners, or an association of unit owners; and

119 (ii) provide an advisory opinion as described in Section 13-75-104.

120 (2)(a) Neither the office nor the office's attorneys may represent private parties, state
121 agencies, local governments, or any other individual or entity in a legal action that
122 arises from or relates to a matter addressed in this chapter.

123 (b) No attorney of the office may be compelled to testify in a civil action filed
124 concerning the subject matter of any review or advisory opinion arranged through the
125 office.

126 (3) Except as provided in Section 13-75-105, evidence of a review by the office and the
127 opinions, writings, findings, and determinations of the office are not admissible as
128 evidence in a judicial action or arbitration.

129 (4) The office:

- 130 (a) shall analyze a complaint and issue an advisory opinion only for issues relating to a
131 violation of a state statute; and
- 132 (b) may not provide any service that requires interpreting the governing documents of an
133 association of lot owners or the governing documents of an association of unit
134 owners, including determining whether a provision of the governing documents is
135 reasonable.

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

137 **13-75-104 . Advisory opinion -- Process of advisory opinions.**

138 (1) A lot owner, a unit owner, an association of lot owners, or an association of unit owners
139 may request a written advisory opinion:

140 (a) from the office to determine compliance with:

141 (i) Title 57, Chapter 8, Condominium Ownership Act, and Title 57, Chapter 8a,
142 Community Association Act; or

143 (ii) other applicable statutes of this state; and

144 (b) at any time before the commencement of:

145 (i) an action in a court with jurisdiction; or

146 (ii) binding arbitration.

147 (2)(a) A person making a request for an advisory opinion described in Subsection (1)
148 shall:

149 (i) file the request with the office;

150 (ii) pay a filing fee of \$150; and

151 (iii)(A) file the request no later than one year after the day on which the person
152 making the request knew or should have known about the alleged act that is the
153 subject of the advisory opinion; and

154 (B) include in the request facts that demonstrate that the person submits the
155 request no later than a year after the day on which the person making the
156 request knew or should have known about the alleged act that is the subject of
157 the advisory opinion.

158 (b) A person making a request under this Subsection (2) may allege actual damages as a
159 result of the alleged act that is the subject of the advisory opinion.

160 (3) The office may establish policies providing for partial fee waivers for a person who is
161 financially unable to pay the entire fee described in Subsection (2)(a)(ii).

162 (4)(a) The office may not issue an advisory opinion unless the person requesting an
163 advisory opinion exhausts all existing procedures provided in:

- 164 (i) the governing documents of an association of lot owners, if the dispute involves a
165 lot owner; or
- 166 (ii) the governing documents of an association of unit owners, if the dispute involves
167 a unit owner.
- 168 (b) A person requesting an advisory opinion shall include in the person's complaint a
169 description of how that person exhausted all existing procedures provided in the
170 applicable governing documents.
- 171 (5) Upon receipt of a request for an advisory opinion, the office shall:
- 172 (a) inquire of all parties if there are other necessary parties to the dispute;
- 173 (b) determine whether the person bringing the request has exhausted all existing
174 procedures provided in the applicable governing documents; and
- 175 (c) deliver notice of the request to the opposing parties indicated in the request and any
176 other necessary party identified in accordance with Subsection (5)(a).
- 177 (6) Subject to Subsection (7), after analyzing a complaint, the office shall:
- 178 (a) issue a written advisory opinion addressing the issues described in the request for an
179 advisory opinion;
- 180 (b) include in the advisory opinion a statement of the facts and law supporting the
181 opinion's conclusions; and
- 182 (c) deliver copies of the advisory opinion to all necessary parties identified in
183 accordance with Subsection (5)(a).
- 184 (7)(a) The office shall issue a written statement declining to issue an advisory opinion
185 when, in the opinion of the office:
- 186 (i) the issues are not ripe for review;
- 187 (ii) the person bringing the request has not exhausted all existing procedures provided
188 in the applicable governing documents; or
- 189 (iii) the issues raised are beyond the scope of the office's statutory duty to review.
- 190 (b) Notwithstanding Subsection (7)(a), the office shall issue a written statement
191 declining to review a request, if the request deals solely with a contractual dispute.
- 192 (8)(a)(i) If in the process of issuing an advisory opinion, the office determines that a
193 person knowingly filed a false or fraudulent request for an advisory opinion, the
194 office shall prohibit that person from filing a complaint with the office for two
195 years after the day on which the office makes the determination.
- 196 (ii) The office may impose a civil penalty of up to \$1,000 against a person if the
197 office determines under this Subsection (8)(a) that the person filed a false or

- 198 fraudulent request for an advisory opinion.
- 199 (b)(i) The office may designate a person as a vexatious filer if the person has filed a
200 request for three or more advisory opinions and for each request the office:
- 201 (A) determines that the person requesting the advisory opinion has not exhausted
202 all existing procedures, as described in Subsection (4)(a);
- 203 (B) declines to issue an advisory opinion, as described in Subsection (7)(a); or
204 (C) determines that the request deals solely with a contractual dispute, as
205 described in Subsection (7)(b).
- 206 (ii) If the office designates a person as a vexatious filer under this Subsection (8)(b),
207 the office may not accept a request by the person unless:
- 208 (A) the person submits a written copy of the request to the executive director of
209 the department; and
- 210 (B) the executive director of the department authorizes the person to file the
211 request for the advisory opinion with the office.
- 212 (9) The party that requests the advisory opinion shall pay the filing fee described in
213 Subsection (2)(a)(ii), unless the office issues an advisory opinion in favor of the party
214 that requests the advisory opinion, in which case all necessary parties shall share the cost
215 of the filing fee equally.
- 216 (10) An advisory opinion issued under this section is neither binding on any party to, nor
217 admissible as evidence in, a dispute involving an association of lot owners or an
218 association of unit owners, except as provided in Subsection (11).
- 219 (11)(a) As used in this Subsection (11), "qualifying conditions" means:
- 220 (i) the office issues an advisory opinion described in this section;
- 221 (ii) the same issue that is the subject of the advisory opinion is subsequently litigated
222 in court; and
- 223 (iii) the court rules in favor of the same party as the advisory opinion in a final
224 judgment.
- 225 (b) If the qualifying conditions are met, the court may award the substantially prevailing
226 party:
- 227 (i) reasonable attorney fees and court costs relating to the development of the cause
228 of action from the date the office delivers the advisory opinion to the date of the
229 court's resolution; and
- 230 (ii) if the court finds that the opposing party knowingly and intentionally violated the
231 law governing the cause of action, a civil penalty of \$250 for each day described

232 in Subsection (12).

233 (12) The civil penalty described in Subsection (11)(b):

234 (a) begins to accrue on the later of:

235 (i) 30 days after the day on which the office delivers the advisory opinion; or

236 (ii) the day on which the substantially prevailing party or opposing party filed the
237 action in court; and

238 (b) ends the day on which the court enters a final judgment.

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

240 **57-1-46 . Transfer fee and reinvestment fee covenants.**

241 (1) As used in this section:

242 (a) "Association expenses" means expenses incurred by a common interest association
243 for:

244 [~~(i) the administration of the common interest association;~~]

245 [~~(ii)~~] (i) the purchase, ownership, leasing, construction, operation, use, administration,
246 maintenance, improvement, repair, or replacement of association facilities,
247 including expenses for taxes, insurance, operating reserves, capital reserves, and
248 emergency funds;

249 [~~(iii)~~] (ii) providing, establishing, creating, or managing a facility, activity, service, or
250 program for the benefit of property owners, tenants, common areas, the burdened
251 property, or property governed by the common interest association; or

252 [~~(iv)~~] (iii) other facilities, activities, services, or programs that are required or
253 permitted under the common interest association's organizational documents.

254 (b) "Association facilities" means any real property, improvements on real property, or
255 personal property owned, leased, constructed, developed, managed, or used by a
256 common interest association, including common areas.

257 (c) "Association transfer fee" means a fee, charge, or payment that is:

258 (i) related to the sale of real property; and

259 (ii) as a result of a transfer of the real property, is imposed on a buyer or seller by:

260 (A) a common interest association; or

261 (B) a person acting on behalf of the common interest association.

262 [~~(e)~~] (d) "Burdened property" means the real property that is subject to a reinvestment fee
263 covenant or transfer fee covenant.

264 [~~(f)~~] (e) "Common areas" means areas described within:

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

- 266 (ii) the definition of "common areas" under Section 57-8a-102.
- 267 ~~[(e)]~~ (f)(i) "Common interest association" means:
- 268 ~~[(i) means:]~~
- 269 (A) an association, as defined in Section 57-8a-102;
- 270 (B) an association of unit owners, as defined in Section 57-8-3; or
- 271 (C) a nonprofit association~~[; and] .~~
- 272 (ii) "Common interest association" includes a person authorized by an association,
- 273 association of unit owners, or nonprofit association~~[; as the case may be].~~
- 274 ~~[(f)]~~ (g) "Large master planned development" means an approved development:
- 275 (i) of at least 500 acres or 500 units; and
- 276 (ii) that includes a commitment to fund, construct, develop, or maintain:
- 277 (A) common infrastructure;
- 278 (B) association facilities;
- 279 (C) community programming;
- 280 (D) resort facilities;
- 281 (E) open space; or
- 282 (F) recreation amenities.
- 283 ~~[(g)]~~ (h) "Nonprofit association" means a nonprofit corporation organized under Title 16,
- 284 Chapter 6a, Utah Revised Nonprofit Corporation Act, to benefit, enhance, preserve,
- 285 govern, manage, or maintain burdened property.
- 286 ~~[(h)]~~ (i) "Organizational documents" means:
- 287 (i) for an association, as defined in Section 57-8a-102, ~~[means-]~~governing documents
- 288 as defined in Section 57-8a-102;
- 289 (ii) for an association of unit owners, as defined in Section 57-8-3, ~~[means-]~~a
- 290 declaration as defined in Section 57-8-3; and
- 291 (iii) for a nonprofit association:
- 292 (A) ~~[means-]~~a written instrument by which the nonprofit association exercises
- 293 powers or manages, maintains, or otherwise affects the property under the
- 294 jurisdiction of the nonprofit association; and
- 295 (B) ~~[includes-]~~articles of incorporation, bylaws, plats, charters, the nonprofit
- 296 association's rules, and declarations of covenants, conditions, and restrictions.
- 297 (j) "Reinvestment fee" means a fee imposed, directly or indirectly, by a common interest
- 298 association:
- 299 (i) upon a buyer or seller of real property;

- 300 (ii) upon and as a result of a transfer of the real property; and
- 301 (iii) that is dedicated to benefiting the common areas, including payment for:
- 302 (A) common planning, facilities, and infrastructure;
- 303 (B) obligations arising from an environmental covenant;
- 304 (C) community programming;
- 305 (D) resort facilities;
- 306 (E) open space;
- 307 (F) recreation amenities;
- 308 (G) charitable purposes; or
- 309 (H) association expenses.
- 310 [†] (k) "Reinvestment fee covenant" means a covenant, restriction, or agreement that:
- 311 (i) affects real property; and
- 312 (ii) obligates a future buyer or seller of the real property to pay to a common interest
- 313 association, upon and as a result of a transfer of the real property, a fee that is
- 314 dedicated to benefitting the burdened property, including payment for:
- 315 (A) common planning, facilities, and infrastructure;
- 316 (B) obligations arising from an environmental covenant;
- 317 (C) community programming;
- 318 (D) resort facilities;
- 319 (E) open space;
- 320 (F) recreation amenities;
- 321 (G) charitable purposes; or
- 322 (H) association expenses.
- 323 [†] (l) "Transfer fee covenant":
- 324 (i) means an obligation, however denominated, expressed in a covenant, restriction,
- 325 agreement, or other instrument or document:
- 326 (A) that affects real property;
- 327 (B) that is imposed on a future buyer or seller of real property, other than a person
- 328 who is a party to the covenant, restriction, agreement, or other instrument or
- 329 document; and
- 330 (C) to pay a fee upon and as a result of a transfer of the real property; and
- 331 (ii) does not include:
- 332 (A) an obligation imposed by a court judgment, order, or decree;
- 333 (B) an obligation imposed by the federal government or a state or local

- 334 government entity; or
- 335 (C) a reinvestment fee covenant.
- 336 (2) A transfer fee covenant recorded on or after March 16, 2010, is void and unenforceable.
- 337 (3)(a) Except as provided in Subsection (3)(b), a reinvestment fee covenant may not be
- 338 sold, assigned, or conveyed unless the sale, assignment, or conveyance is to a
- 339 common interest association that was formed to benefit the burdened property.
- 340 (b) A common interest association may assign or pledge to a lender the right to receive
- 341 payment under a reinvestment fee covenant if:
- 342 (i) the assignment or pledge is as collateral for a credit facility; and
- 343 (ii) the lender releases the collateral interest upon payment in full of all amounts that
- 344 the common interest association owes to the lender under the credit facility.
- 345 (4) A reinvestment fee covenant recorded on or after March 16, 2010, is not enforceable if
- 346 the reinvestment fee covenant is intended to affect property that is the subject of a
- 347 previously recorded transfer fee covenant or reinvestment fee covenant.
- 348 (5) A reinvestment fee covenant recorded on or after March 16, 2010, may not obligate the
- 349 payment of a fee that exceeds .5% of the value of the burdened property, unless the
- 350 burdened property is part of a large master planned development.
- 351 (6)(a) A reinvestment fee covenant recorded on or after March 16, 2010, is void and
- 352 unenforceable unless a notice of reinvestment fee covenant, separate from the
- 353 reinvestment fee covenant, is recorded in the office of the recorder of each county in
- 354 which any of the burdened property is located.
- 355 (b) A notice under Subsection (6)(a) shall:
- 356 (i) state the name and address of the common interest association to which the fee
- 357 under the reinvestment fee covenant is required to be paid;
- 358 (ii) include the notarized signature of the common interest association's authorized
- 359 representative;
- 360 (iii) state that the burden of the reinvestment fee covenant is intended to run with the
- 361 land and to bind successors in interest and assigns;
- 362 (iv) state that the existence of the reinvestment fee covenant precludes the imposition
- 363 of an additional reinvestment fee covenant on the burdened property;
- 364 (v) state the duration of the reinvestment fee covenant;
- 365 (vi) state the purpose of the fee required to be paid under the reinvestment fee
- 366 covenant; and
- 367 (vii) state that the fee required to be paid under the reinvestment fee covenant is

- 368 required to benefit the burdened property.
- 369 (c) A recorded notice of reinvestment fee covenant that substantially complies with the
370 requirements of Subsection (6)(b) is valid and effective.
- 371 (7)(a) A reinvestment fee covenant or transfer fee covenant recorded before March 16,
372 2010, is not enforceable after May 31, 2010, unless:
- 373 (i) a notice that is consistent with the notice described in Subsection (6) is recorded in
374 the office of the recorder of each county in which any of the burdened property is
375 located; or
- 376 (ii) a notice of reinvestment fee covenant or transfer fee covenant, as described in
377 Subsection (7)(b), is recorded in the office of the recorder of each county in which
378 any of the burdened property is located.
- 379 (b) A notice under Subsection (7)(a)(ii) shall:
- 380 (i) include the notarized signature of the beneficiary of the reinvestment fee covenant
381 or transfer fee covenant, or the beneficiary's authorized representative;
- 382 (ii) state the name and current address of the beneficiary under the reinvestment fee
383 covenant or transfer fee covenant;
- 384 (iii) state that the burden of the reinvestment fee covenant or transfer fee covenant is
385 intended to run with the land and to bind successors in interest and assigns; and
- 386 (iv) state the duration of the reinvestment fee covenant or transfer fee covenant.
- 387 (c) A recorded notice of reinvestment fee covenant or transfer fee covenant that
388 substantially complies with the requirements of Subsection (7)(b) is valid and
389 effective.
- 390 (d) A notice under Subsection (7)(b):
- 391 (i) that is recorded after May 31, 2010, is not enforceable; and
- 392 (ii) shall comply with the requirements of Section 57-1-47.
- 393 (e) An amendment to a notice under Subsection (7)(b) recorded after May 31, 2010,
394 seeking to amend a notice under Subsection (7)(b) recorded before May 31, 2010, is
395 not an enforceable amendment.
- 396 (8) A reinvestment fee covenant recorded on or after March 16, 2010, may not be enforced
397 upon:
- 398 (a) an involuntary transfer;
- 399 (b) a transfer that results from a court order;
- 400 (c) a bona fide transfer to a family member of the seller within three degrees of
401 consanguinity who, before the transfer, provides adequate proof of consanguinity;

- 402 (d) a transfer or change of interest due to death, whether provided in a will, trust, or
403 decree of distribution; or
- 404 (e) the transfer of burdened property by a financial institution, except to the extent that
405 the reinvestment fee covenant requires the payment of a common interest
406 association's costs directly related to the transfer of the burdened property, not to
407 exceed \$250.
- 408 (9) An association transfer fee imposed on or after May 7, 2025, is void and unenforceable
409 unless the association uses the fee only to pay expenses related to the transfer.
- 410 (10) On or after May 7, 2025, an association may not impose a reinvestment fee unless:
- 411 (a) imposing the reinvestment fee is authorized in the declaration or a reinvestment fee
412 covenant; and
- 413 (b) a majority of voting interests in the association, or a higher percentage if required in
414 the organizational documents, approves the reinvestment fee.
- 415 (11) After a vote approving the reinvestment fee described in Subsection (10)(b), an
416 association may set the amount of a reinvestment fee only:
- 417 (a) in accordance with the terms of the declaration or a reinvestment fee covenant; and
418 (b) upon providing notice in accordance with Section 57-8a-214.
- 419 (12) Members of the association may remove or amend a reinvestment fee by holding a
420 vote at a special meeting:
- 421 (a) called by the members for the purpose of removing or amending the reinvestment
422 fee; and
- 423 (b) at which:
- 424 (i) at least 51% of the voting interests attend and vote; and
425 (ii) a majority of the voting interests that attend vote to remove or amend the
426 reinvestment fee.
- 427 Section 6. Section **57-8-6.7** is amended to read:
- 428 **57-8-6.7 . Approval of plans.**
- 429 (1) As used in this section:
- 430 (a) "Plan fee" means a fee that an association of unit owners charges for review and
431 approval of unit plans.
- 432 (b) "Unit plans" means plans:
- 433 (i) for the construction or improvement of a unit; and
434 (ii) that are required to be approved by the association of unit owners before the unit
435 construction or improvement may occur.

436 (2) An association of unit owners may not charge a plan fee that exceeds the actual cost of
437 reviewing and approving the unit plans.

438 (3) If the association denies a unit plan, the association shall provide written notice to the
439 unit owner specifying:

440 (a) each governing document provision on which the association relied when denying
441 the plan; and

442 (b) the specific aspect of the proposed plan that does not conform to the specified
443 governing document provision.

444 Section 7. Section **57-8-8.1** is amended to read:

445 **57-8-8.1 . Equal treatment by rules required -- Limits on rules.**

446 (1)(a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated unit
447 owners similarly.

448 (b) [~~Notwithstanding Subsection (1)(a), a~~] A rule may:

449 (i) vary according to the level and type of service that the association of unit owners
450 provides to unit owners;

451 (ii) differ between residential and nonresidential uses; or

452 (iii) for a unit that a unit owner leases for a term of less than 30 days, impose a
453 reasonable limit on the number of individuals that may use the common areas and
454 facilities as the rental unit tenant's guest or as the unit owner's guest.

455 (2)(a) [~~If~~] Except as provided in Subsection (2)(b), if a unit owner owns a rental unit and
456 is in compliance with the association of unit owners' governing documents and any
457 rule that the association of unit owners adopts under Subsection (5), a rule may not
458 treat the unit owner differently because the unit owner owns a rental unit.

459 (b) [~~Notwithstanding Subsection (2)(a), a~~] A rule may:

460 (i) limit or prohibit a rental unit owner from using the common areas and facilities for
461 purposes other than attending an association meeting or managing the rental unit;

462 (ii) if the rental unit owner retains the right to use the association of unit owners'
463 common areas and facilities, even occasionally:

464 (A) charge a rental unit owner a fee to use the common areas and facilities; and

465 (B) for a unit that a unit owner leases for a term of less than 30 days, impose a
466 reasonable limit on the number of individuals that may use the common areas
467 and facilities as the rental unit tenant's guest or as the unit owner's guest; or

468 (iii) include a provision in the association of unit owners' governing documents that:

469 (A) requires each tenant of a rental unit to abide by the terms of the governing

- 470 documents; and
- 471 (B) holds the tenant and the rental unit owner jointly and severally liable for a
472 violation of a provision of the governing documents.
- 473 (3)(a) [A] Except as provided in Subsection (3)(b), a rule may not interfere with the
474 freedom of a unit owner to determine the composition of the unit owner's household.
- 475 (b) [~~Notwithstanding Subsection (3)(a), an-~~] An association of unit owners may:
- 476 (i) require that all occupants of a dwelling be members of a single housekeeping unit;
477 or
- 478 (ii) limit the total number of occupants permitted in each residential dwelling on the
479 basis of the residential dwelling's:
- 480 (A) size and facilities; and
- 481 (B) fair use of the common areas and facilities.
- 482 (4) Unless contrary to a declaration, a rule may require a minimum lease term.
- 483 (5) [~~Unless otherwise provided in the declaration, an-~~] Subject to Subsection (15), an
484 association of unit owners may by rule:
- 485 (a) unless otherwise provided in the declaration:
- 486 (i) regulate the use, maintenance, repair, replacement, and modification of common
487 areas and facilities; and
- 488 [(b)] (ii) impose and receive any payment, fee, or charge for:
- 489 [(i)] (A) the use, rental, or operation of the common areas, except limited common
490 areas and facilities; [~~and~~] or
- 491 [(ii)] (B) a service provided to a unit owner;
- 492 [(c)] (b) impose [~~a charge~~], for a late payment of an assessment:
- 493 (i) a late fee, not to exceed the greater of:
- 494 (A) 10% of the assessment amount; or
- 495 (B) \$50; and
- 496 (ii) interest on the assessment and a late fee of up to 1.5% per month; or
- 497 [(d)] (c) provide for the indemnification of the association of unit owners' officers and
498 management committee consistent with Title 16, Chapter 6a, Utah Revised Nonprofit
499 Corporation Act.
- 500 (6)(a) Except as provided in Subsection (6)(b), a rule may not prohibit a unit owner from
501 installing a personal security camera immediately adjacent to the entryway, window,
502 or other outside entry point of the owner's condominium unit.
- 503 (b) A rule may prohibit a unit owner from installing a personal security camera in a

- 504 common area not physically connected to the owner's unit.
- 505 (7)(a) A rule may not abridge the right of a unit owner to display a religious or holiday
506 sign, symbol, or decoration inside the owner's condominium unit.
- 507 (b) An association may adopt a reasonable time, place, and manner restriction with
508 respect to a display that is visible from the exterior of a unit.
- 509 (8)(a) A rule may not:
- 510 (i) prohibit a unit owner from displaying in a window of the owner's condominium
511 unit:
- 512 (A) a for-sale sign;~~[-or]~~
- 513 (B) a political sign;or
- 514 (C) a flag; or
- 515 (ii) except as provided Subsection (8)(b), regulate the content or establish specific
516 design criteria for the content of a political sign[;] or flag.
- 517 [~~(iii) establish design criteria for a political sign.]~~
- 518 (b) A rule may restrict a political sign or flag that contains obscene, profane, or
519 commercial content.
- 520 [~~(b) (c) [Notwithstanding Subsection (8)(a), a]~~ A rule may reasonably regulate the size
521 and time, place, and manner of posting a for-sale sign,~~[-or]~~ a political sign, or a flag.
- 522 (9) For any area for which one or more unit owners are responsible for landscape
523 maintenance, the association of unit owners:
- 524 (a) shall adopt rules supporting water wise landscaping, including:
- 525 (i) low water use requirements on lawns during drought conditions;
- 526 (ii) design criterion for water wise landscaping; and
- 527 (iii) limiting permissible plant material to specific water wise plant material;
- 528 (b) may not prohibit low water use on lawns during drought conditions; and
- 529 (c) may not prohibit or restrict the conversion of a grass park strip to water-efficient
530 landscaping.
- 531 (10) A rule may restrict a sex offender from accessing a protected area that is maintained,
532 operated, or owned by the association, subject to the exceptions described in Subsection
533 77-27-21.7(3).
- 534 (11)(a) Except as provided in this Subsection (11), a rule may not prohibit a unit owner
535 from making modifications, consistent with industry standards, for radon mitigation.
- 536 (b) Subsection (11)(a) does not apply if the modifications would violate:
- 537 (i) a local land use ordinance;

- 538 (ii) a building code;
- 539 (iii) a health code; or
- 540 (iv) a fire code.
- 541 (c) A rule governing the placement or external appearance of modifications may apply to
- 542 modifications for radon mitigation unless the rule would:
- 543 (i) unreasonably interfere with the modifications' functionality; or
- 544 (ii) add more than 40% of the modifications' original cost to the cost of installing the
- 545 modifications.
- 546 (d) A rule may require that a unit owner making modifications related to radon
- 547 mitigation:
- 548 (i) demonstrate or provide proof of radon contamination; and
- 549 (ii) provide proof that the modifications and any related construction will be
- 550 performed by a licensed person.
- 551 (12)(a) Except as provided in Subsection (12)(b), a rule may not restrict an individual
- 552 from parking an operable vehicle in a driveway where the vehicle has a legal right to
- 553 park, unless the vehicle is:
- 554 (i) a commercial vehicle, as that term is defined in Section 72-9-102;
- 555 (ii) a motor home, as that term is defined in Section 13-20-2; or
- 556 (iii) a recreational vehicle trailer, as that term is defined in Section 13-20-2.
- 557 (b) A rule may require that an individual park in a garage appurtenant to a unit before
- 558 parking elsewhere.
- 559 (13)(a) Except as provided in Subsection (13)(b), a rule may not restrict an individual
- 560 from operating a vehicle that is not a commercial vehicle, as that term is defined in
- 561 Section 72-9-102, in conformance with state traffic laws.
- 562 (b) A rule may enforce a reduced speed limit on a private roadway.
- 563 (14) A rule may not:
- 564 (a) impose a requirement or restriction on the use of a public street, as that term is
- 565 defined in Section 10-9a-103; or
- 566 (b) restrict an individual from:
- 567 (i) installing, displaying, or storing an item that the individual has a legal right to
- 568 store if the item is not visible to an individual standing outside the unit;
- 569 (ii) hiring a contractor or worker solely because the contractor or worker:
- 570 (A) is not on the association's preferred vendor list; or
- 571 (B) does not have a professional or occupational license, unless the license is

572 required by law.

573 ~~[(12)]~~ (15) A rule shall be reasonable.

574 ~~[(13)]~~ (16) A declaration, or an amendment to a declaration, may vary any of the
575 requirements of Subsections (1) through (5), except Subsection (1)(b)(ii).

576 ~~[(14)]~~ (17) This section applies to an association of unit owners regardless of when the
577 association of unit owners is created.

578 (18) Before imposing a fee under Subsection (5), an association of unit owners shall:

579 (a) adopt a fee schedule by rule that describes the amount of each fee the association of
580 unit owners shall impose; and

581 (b) provide a copy of the fee schedule to each unit owner.

582 Section 8. Section **57-8-13.1** is amended to read:

583 **57-8-13.1 . Registration with Department of Commerce -- Department**
584 **publication of educational materials.**

585 (1) As used in this section, "department" means the Department of Commerce created in
586 Section 13-1-2.

587 (2) No later than 90 days after the recording of a declaration, an association of unit owners
588 shall register with the department in the manner established by the department.

589 (3) The department shall require an association of unit owners registering as required in this
590 section to provide with each registration:

591 (a) the name and address of the association of unit owners;

592 (b) the name, address, telephone number, and, if applicable, email address of the
593 president of the association of unit owners;

594 (c) the name and address of each manager or management committee member;

595 (d) the name, address, telephone number, and, if the contact person wishes to use email
596 or facsimile transmission for communicating payoff information, the email address or
597 facsimile number, as applicable, of a primary contact person who has association
598 payoff information that a closing agent needs in connection with the closing of a unit
599 owner's financing, refinancing, or sale of the owner's unit; and

600 (e) a registration fee ~~[not to exceed \$37]~~ set by the department in accordance with
601 Section 63J-1-504.

602 (4)(a) An association of unit owners shall annually renew the registration of the
603 association of unit owners described in Subsection (2).

604 (b) The department may impose and set the amount of a renewal registration fee in
605 accordance with Section 63J-1-504.

- 606 [(4)] (5) An association of unit owners that has registered under Subsection (2) shall submit
607 to the department an [~~updated registration~~] update to the association of unit owners'
608 registration information, in the manner established by the department, within 90 days
609 after a change in any of the information provided under Subsection (3).
- 610 [(5)] (6)(a) During any period of noncompliance with the registration requirement
611 described in Subsection (2) or the requirement for an updated registration described
612 in Subsection [(4)] (5):
- 613 (i) a lien may not arise under Section 57-8-44; and
 - 614 (ii) an association of unit owners may not enforce an existing lien that arose under
615 Section 57-8-44.
- 616 (b) A period of noncompliance with the registration requirement of Subsection (2) or
617 with the updated registration requirement of Subsection [(4)] (5) does not begin until
618 after the expiration of the 90-day period specified in Subsection (2) or [(4)] (5),
619 respectively.
- 620 (c) An association of unit owners that is not in compliance with the registration
621 requirement described in Subsection (2) may end the period of noncompliance by
622 registering with the department in the manner established by the department under
623 Subsection (2).
- 624 (d) An association of unit owners that is not in compliance with the updated registration
625 requirement described in Subsection [(4)] (5) may end the period of noncompliance
626 by submitting to the department an updated registration in the manner established by
627 the department under Subsection [(4)] (5).
- 628 (e) Except as described in Subsection [(5)(f)] (6)(f), beginning on the date an association
629 of unit owners ends a period of noncompliance:
- 630 (i) a lien may arise under Section 57-8-44 for any event that:
 - 631 (A) occurred during the period of noncompliance; and
 - 632 (B) would have given rise to a lien under Section 57-8-44 had the association of
633 unit owners been in compliance with the registration requirements described in
634 this section; and
 - 635 (ii) an association of unit owners may enforce a lien described in Subsection [(5)(e)]
636 (6)(c) or a lien that existed before the period of noncompliance.
- 637 (f) If an owner's unit is conveyed to an independent third party during a period of
638 noncompliance described in this Subsection [(5)] (6):
- 639 (i) a lien that arose under Section 57-8-44 before the conveyance of the unit became

640 final is extinguished when the conveyance of the unit becomes final; and
 641 (ii) an event that occurred before the conveyance of the unit became final, and that
 642 would have given rise to a lien under Section 57-8-44 had the association of unit
 643 owners been in compliance with the registration requirements of this section, may
 644 not give rise to a lien under Section 57-8-44 if the conveyance of the unit becomes
 645 final before the association of unit owners ends the period of noncompliance.

646 ~~[(6)]~~ (7) The department shall publish educational materials on the department's website
 647 providing, in simple and easy to understand language, a brief overview of state law
 648 governing associations of unit owners, including:

- 649 (a) a description of the rights and responsibilities provided in this chapter to any party
 650 under the jurisdiction of an association of unit owners; and
 651 (b) instructions regarding how an association of unit owners may be organized and
 652 dismantled in accordance with this chapter.

653 Section 9. Section **57-8-17** is amended to read:

654 **57-8-17 . Records -- Availability for examination.**

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

- 659 (i) each record identified in Subsections 16-6a-1601(1) through (5), in ~~in accordance~~
 660 ~~with~~ the manner described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603,
 661 16-6a-1605, 16-6a-1606, and 16-6a-1610; and
 662 (ii) a copy of the association's:
 663 (A) governing documents;
 664 (B) most recent approved minutes;
 665 (C) most recent annual budget and financial statement;
 666 (D) most recent reserve analysis;~~[-and]~~
 667 (E) certificate of insurance for each insurance policy the association of unit
 668 owners holds[-] ;
 669 (F) management committee meeting minutes from the previous three calendar
 670 years;
 671 (G) a profit and loss statement for the previous three fiscal years; and
 672 (H) a balance sheet for the previous three fiscal years.

673 (b) An association of unit owners may redact the following information from any

- 674 document the association of unit owners produces for inspection or copying:
- 675 (i) a Social Security number;
- 676 (ii) a bank account number; or
- 677 (iii) any communication subject to attorney-client privilege.
- 678 (2)(a) In addition to the requirements described in Subsection (1), an association of unit
679 owners shall:
- 680 (i) make documents available to unit owners in accordance with the association of
681 unit owners' governing documents; and
- 682 (ii)(A) if the association of unit owners has an active website, make the documents
683 described in Subsections (1)(a)(ii)(A) through (C) available to unit owners, free
684 of charge, through the website; or
- 685 (B) if the association of unit owners does not have an active website, make
686 physical copies of the documents described in Subsections (1)(a)(ii)(A)
687 through (C) available to unit owners during regular business hours at the
688 association of unit owners' address registered with the Department of
689 Commerce under Section 57-8-13.1.
- 690 (b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
- 691 (c) If a provision of an association of unit owners' governing documents conflicts with a
692 provision of this section, the provision of this section governs.
- 693 (3) In a written request to inspect or copy documents:
- 694 (a) a unit owner shall include:
- 695 (i) the association of unit owners' name;
- 696 (ii) the unit owner's name;
- 697 (iii) the unit owner's property address;
- 698 (iv) the unit owner's email address;
- 699 (v) a description of the documents requested; and
- 700 (vi) any election or request described in Subsection (3)(b); and
- 701 (b) a unit owner may:
- 702 (i) elect whether to inspect or copy the documents;
- 703 (ii) if the unit owner elects to copy the documents, request hard copies or electronic
704 scans of the documents; or
- 705 (iii) subject to Subsection (4), request that:
- 706 (A) the association of unit owners make the copies or electronic scans of the
707 requested documents;

- 708 (B) a recognized third party duplicating service make the copies or electronic
709 scans of the requested documents;
- 710 (C) the unit owner be allowed to bring any necessary imaging equipment to the
711 place of inspection and make copies or electronic scans of the documents while
712 inspecting the documents; or
- 713 (D) the association of unit owners email the requested documents to an email
714 address provided in the request.
- 715 (4)(a) An association of unit owners shall comply with a request described in Subsection
716 (3) within two weeks after the day on which the association of unit owners receives
717 the request.
- 718 (b) If an association of unit owners produces the copies or electronic scans:
- 719 (i) the copies or electronic scans shall be legible and accurate; ~~and~~
- 720 (ii) the unit owner shall pay the association of unit owners the reasonable cost of the
721 copies ~~[or electronic scans]~~ and for time spent meeting with the unit owner, which
722 may not exceed:
- 723 (A) the actual cost that the association of unit owners paid to a recognized third
724 party duplicating service to make the copies or electronic scans; or
- 725 (B) 10 cents per page and ~~[\$15]~~ \$20 per hour for the employee's, manager's, or
726 other agent's time making the copies or electronic scans ~~[-]~~ ; and
- 727 (iii) the association may not charge the unit owner for any costs associated with
728 fulfilling a request for the electronic transmission of the documents described in
729 Subsection (3).
- 730 (c) If a unit owner requests a recognized third party duplicating service make the copies
731 or electronic scans:
- 732 (i) the association of unit owners shall arrange for the delivery and pick up of the
733 original documents; and
- 734 (ii) the unit owner shall pay the duplicating service directly.
- 735 (d) Subject to Subsection (9), if a unit owner requests to bring imaging equipment to the
736 inspection, the association of unit owners shall provide the necessary space, light, and
737 power for the imaging equipment.
- 738 (e) An association may comply with a request described in Subsection (3) by posting the
739 documents described in Subsection (3) to the association's website or online owner
740 portal.
- 741 (5) If, in response to a unit owner's request to inspect or copy documents, an association of

- 742 unit owners fails to comply with a provision of this section, the association of unit
743 owners shall pay:
- 744 (a) the reasonable costs of inspecting and copying the requested documents;
745 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the unit owner
746 who made the request for each day the request continues unfulfilled, beginning the
747 sixth day after the day on which the unit owner made the request; and
748 (c) reasonable attorney fees and costs incurred by the unit owner in obtaining the
749 inspection and copies of the requested documents.
- 750 (6)(a) In addition to any remedy in the association of unit owners' governing documents
751 or as otherwise provided by law, a unit owner may file an action in court under this
752 section if:
- 753 (i) subject to Subsection (9), an association of unit owners fails to make documents
754 available to the unit owner in accordance with this section, the association of unit
755 owners' governing documents, or as otherwise provided by law; and
756 (ii) the association of unit owners fails to timely comply with a notice described in
757 Subsection (6)(d).
- 758 (b) In an action described in Subsection (6)(a):
- 759 (i) the unit owner may request:
- 760 (A) injunctive relief requiring the association of unit owners to comply with the
761 provisions of this section;
762 (B) [~~\$500~~] \$1,000 or actual damage, whichever is greater; or
763 (C) any other relief provided by law; and
764 (ii) the court [~~shall~~] may award costs and reasonable attorney fees to the prevailing
765 party, including any reasonable attorney fees incurred before the action was filed
766 that relate to the request that is the subject of the action.
- 767 (c)(i) In an action described in Subsection (6)(a), upon motion by the unit owner
768 made in accordance with Subsection (6)(b), notice to the association of unit
769 owners, and a hearing in which the court finds a likelihood that the association of
770 unit owners failed to comply with a provision of this section, the court shall order
771 the association of unit owners to immediately comply with the provision.
772 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days
773 after the day on which the unit owner files the motion.
- 774 (d) At least 10 days before the day on which a unit owner files an action described in
775 Subsection (6)(a), the unit owner shall deliver a written notice to the association of

776 unit owners that states:

777 (i) the unit owner's name, address, telephone number, and email address;

778 (ii) each requirement of this section with which the association of unit owners has

779 failed to comply;

780 (iii) a demand that the association of unit owners comply with each requirement with

781 which the association of unit owners has failed to comply; and

782 (iv) a date by which the association of unit owners shall remedy the association of

783 unit owners' noncompliance that is at least 10 days after the day on which the unit

784 owner delivers the notice to the association of unit owners.

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

786 owners.

787 (b) The provisions of this section apply regardless of any conflicting provision in Title

788 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

789 (8) A unit owner's agent may, on the unit owner's behalf, exercise or assert any right that

790 the unit owner has under this section.

791 (9) An association of unit owners is not liable for identifying or providing a document in

792 error, if the association of unit owners identified or provided the erroneous document in

793 good faith.

794 Section 10. Section **57-8-32** is amended to read:

795 **57-8-32 . Sale of property and common areas and facilities.**

796 (1) Subject to Subsection 10-9a-605(5) or 17-27a-606(5), unless otherwise provided in the

797 declaration or bylaws, and notwithstanding the provisions of Sections 57-8-30 and

798 57-8-31, the unit owners may by an affirmative vote of at least 67% of unit owners, elect

799 to sell, convey, transfer, or otherwise dispose of the property or all or part of the

800 common areas and facilities.

801 (2) An affirmative vote described in Subsection (1) is binding upon all unit owners, and

802 each unit owner shall execute and deliver the appropriate instruments and perform all

803 acts as necessary to effect the sale, conveyance, transfer, or other disposition of the

804 property or common areas and facilities.

805 (3) The general easement of ingress, egress, and use of the common areas and facilities

806 granted to an association and unit owners through recorded governing documents is

807 extinguished in any portion of the common areas and facilities the unit owners sell,

808 convey, transfer, or otherwise dispose of, if:

809 (a) the unit owners, in selling, conveying, transferring, or otherwise disposing of the

- 810 portion of the common areas and facilities, comply with:
- 811 (i) the provisions of this section; and
- 812 (ii) Section 10-9a-606 or 17-27a-606; and
- 813 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
- 814 areas and facilities results in a person other than the association or a unit owner
- 815 owning the portion of the common areas and facilities.
- 816 (4) This section applies to an association of unit owners regardless of when the association
- 817 of unit owners is created.
- 818 (5) A declarant may not sell any part of the common areas and facilities during the period
- 819 of administrative control, except:
- 820 (a) as allowed for convertible land or convertible space within a condominium project; or
- 821 (b) as provided in Section 10-9a-606 or 17-27a-606.
- 822 Section 11. Section **57-8-39** is amended to read:
- 823 **57-8-39 . Limitation on requirements for amending governing documents --**
- 824 **Limitation on contracts.**
- 825 (1)(a)(i) To amend the governing documents, the governing documents may not
- 826 require:
- 827 (A) for an amendment adopted after the period of administrative control, the vote
- 828 or approval of unit owners with more than 67% of the voting interests;
- 829 (B) the approval of any specific unit owner; or
- 830 (C) the vote or approval of lien holders holding more than 67% of the first
- 831 position security interests secured by a mortgage or trust deed in the
- 832 association of unit owners.
- 833 (ii) An amendment to the declaration after the period of administrative control may
- 834 be adopted by a majority vote of voters, or a greater percentage if required in the
- 835 declaration, at a meeting where at least 51% of the voting interests are present.
- 836 [(ii)] (iii) Any provision in the governing documents that prohibits a vote or approval
- 837 to amend any part of the governing documents during a particular time period is
- 838 invalid.
- 839 (b) Subsection (1)(a) does not apply to an amendment affecting only:
- 840 (i) the undivided interest of each unit owner in the common areas and facilities, as
- 841 expressed in the declaration;
- 842 (ii) unit boundaries; or
- 843 (iii) unit owners' voting rights.

- 844 (c) The management committee may not amend a declaration.
- 845 (2)(a) A contract for services such as garbage collection, maintenance, lawn care, or
846 snow removal executed on behalf of the association of unit owners during a period of
847 administrative control is binding beyond the period of administrative control unless
848 terminated by the management committee after the period of administrative control
849 ends.
- 850 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,
851 cable services, and other similar services that require an investment of infrastructure
852 or capital.
- 853 (3) Voting interests under Subsection (1) are calculated in the manner required by the
854 governing documents.
- 855 (4) Nothing in this section affects any other rights reserved by the declarant.
- 856 (5) This section applies to an association of unit owners regardless of when the association
857 of unit owners is created.

858 Section 12. Section **57-8-58** is amended to read:

859 **57-8-58 . Liability of declarant or management committee -- Period of declarant**
860 **control.**

- 861 (1) An association may not, after the period of declarant control, bring a legal action against
862 a declarant, a management committee, or an employee, an independent contractor, or an
863 agent of the declarant or the management committee related to the period of declarant
864 control unless:
- 865 (a) the legal action is approved in advance at a meeting where owners of at least 51% in
866 aggregate in interest of the undivided ownership of the common areas and facilities
867 are:
- 868 (i) present; or
- 869 (ii) represented by a proxy specifically assigned for the purpose of voting to approve
870 or deny the legal action at the meeting;
- 871 (b) the legal action is approved by vote in person or by proxy of owners of the lesser of:
- 872 (i) more than 75% in aggregate in interest of the total aggregate interest of the
873 undivided ownership of the common areas and facilities represented by those
874 owners present at the meeting or represented by a proxy as described in
875 Subsection (1)(a); or
- 876 (ii) more than 51% in aggregate in interest of the undivided ownership of the
877 common areas and facilities;

- 878 (c) the association provides each unit owner with the items described in Subsection (2);
879 (d) the association establishes the trust described in Subsection (3); and
880 (e) the association first:
- 881 (i) notifies the person subject to the proposed action of the action and the basis of the
882 association's claim; and
883 (ii) gives the person subject to the proposed action a reasonable opportunity to
884 resolve the dispute that is the basis of the action.
- 885 (2) Before unit owners in an association may vote to approve an action described in
886 Subsection (1), the association shall provide each unit owner:
- 887 (a) a written notice that the association is contemplating legal action; and
888 (b) after the association consults with an attorney licensed to practice in the state, a
889 written assessment of:
- 890 (i) the likelihood that the legal action will succeed;
891 (ii) the likely amount in controversy in the legal action;
892 (iii) the likely cost of resolving the legal action to the association's satisfaction; and
893 (iv) the likely effect the legal action will have on a unit owner's or prospective unit
894 buyer's ability to obtain financing for a unit while the legal action is pending.
- 895 (3) Before the association commences a legal action described in Subsection (1), the
896 association shall:
- 897 (a) allocate an amount equal to 10% of the cost estimated to resolve the legal action, not
898 including attorney fees; and
899 (b) place the amount described in Subsection (3)(a) in a trust that the association may
900 only use to pay the costs to resolve the legal action.
- 901 (4) This section does not apply to an association that brings a legal action that has an
902 amount in controversy of less than \$75,000.
- 903 (5) In a legal action brought by one or more unit owners solely against the declarant before
904 the end of the period of declarant control, a declarant may not use any funds paid by a
905 unit owner to the association to pay for costs of the declarant's legal defense.

906 Section 13. Section **57-8a-102** is amended to read:

907 **57-8a-102 . Definitions.**

908 As used in this chapter:

- 909 (1)(a) "Assessment" means a charge imposed or levied:
- 910 (i) by the association;
911 (ii) on or against a lot or a lot owner; and

- 912 (iii) pursuant to a governing document recorded with the county recorder.
- 913 (b) "Assessment" includes:
- 914 (i) a common expense; and
- 915 (ii) an amount assessed against a lot owner under Subsection 57-8a-405(7).
- 916 (2)(a) Except as provided in Subsection (2)(b), "association" means a corporation or
- 917 other legal entity, any member of which:
- 918 (i) is an owner of a residential lot located within the jurisdiction of the association, as
- 919 described in the governing documents; and
- 920 (ii) by virtue of membership or ownership of a residential lot is obligated to pay:
- 921 (A) real property taxes;
- 922 (B) insurance premiums;
- 923 (C) maintenance costs; or
- 924 (D) for improvement of real property not owned by the member.
- 925 (b) "Association" or "homeowner association" does not include an association created
- 926 under Chapter 8, Condominium Ownership Act.
- 927 (3) "Board meeting" means a gathering of a board, whether in person or by means of
- 928 electronic communication, at which the board can take binding action.
- 929 (4) "Board of directors" or "board" means the entity, regardless of name, with primary
- 930 authority to manage the affairs of the association.
- 931 (5) "Common areas" means property that the association:
- 932 (a) owns;
- 933 (b) maintains;
- 934 (c) repairs; or
- 935 (d) administers.
- 936 (6) "Common expense" means costs incurred by the association to exercise any of the
- 937 powers provided for in the association's governing documents.
- 938 (7) "Declarant":
- 939 (a) means the person who executes a declaration and submits it for recording in the
- 940 office of the recorder of the county in which the property described in the declaration
- 941 is located; and
- 942 (b) includes the person's successor and assign.
- 943 (8) "Development right" means any right or combination of rights a declarant reserves in
- 944 the declaration to:
- 945 (a) add real estate to an association;

- 946 (b) create lots, common elements, or limited common elements within an association;
 947 (c) subdivide lots or convert lots into common elements; or
 948 (d) withdraw real estate from an association.
- 949 ~~[(8)]~~ (9) "Director" means a member of the board of directors.
- 950 ~~[(9)]~~ (10) "Electrical corporation" means the same as that term is defined in Section 54-2-1.
- 951 ~~[(10)]~~ (11) "Gas corporation" means the same as that term is defined in Section 54-2-1.
- 952 ~~[(11)]~~ (12)(a) "Governing documents" means a written instrument by which the
 953 association may:
 954 (i) exercise powers; or
 955 (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
 956 association.
- 957 (b) "Governing documents" includes:
 958 (i) articles of incorporation;
 959 (ii) bylaws;
 960 (iii) a plat;
 961 (iv) a declaration of covenants, conditions, and restrictions; and
 962 (v) rules of the association.
- 963 ~~[(12)]~~ (13) "Independent third party" means a person that:
 964 (a) is not related to the owner of the residential lot;
 965 (b) shares no pecuniary interests with the owner of the residential lot; and
 966 (c) purchases the residential lot in good faith and without the intent to defraud a current
 967 or future lienholder.
- 968 ~~[(13)]~~ (14) "Judicial foreclosure" means a foreclosure of a lot:
 969 (a) for the nonpayment of an assessment;
 970 (b) in the manner provided by law for the foreclosure of a mortgage on real property; and
 971 (c) as provided in Part 3, Collection of Assessments.
- 972 ~~[(14)]~~ (15) "Lease" or "leasing" means regular, exclusive occupancy of a lot:
 973 (a) by a person or persons other than the owner; and
 974 (b) for which the owner receives a consideration or benefit, including a fee, service,
 975 gratuity, or emolument.
- 976 ~~[(15)]~~ (16) "Limited common areas" means common areas described in the declaration and
 977 allocated for the exclusive use of one or more lot owners.
- 978 ~~[(16)]~~ (17) "Lot" means:
 979 (a) a lot, parcel, plot, or other division of land:

- 980 (i) designated for separate ownership or occupancy; and
981 (ii)(A) shown on a recorded subdivision plat; or
982 (B) the boundaries of which are described in a recorded governing document; or
983 (b)(i) a unit in a condominium association if the condominium association is a part of
984 a development; or
985 (ii) a unit in a real estate cooperative if the real estate cooperative is part of a
986 development.
- 987 ~~[(17)]~~ (18)(a) "Means of electronic communication" means an electronic system that
988 allows individuals to communicate orally in real time.
989 (b) "Means of electronic communication" includes:
990 (i) web conferencing;
991 (ii) video conferencing; and
992 (iii) telephone conferencing.
- 993 ~~[(18)]~~ (19) "Mixed-use project" means a project under this chapter that has both residential
994 and commercial lots in the project.
- 995 ~~[(19)]~~ (20) "Nonjudicial foreclosure" means the sale of a lot:
996 (a) for the nonpayment of an assessment;
997 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
998 57-1-34; and
999 (c) as provided in Part 3, Collection of Assessments.
- 1000 ~~[(20)]~~ (21) "Period of administrative control" means the period during which the person who
1001 filed the association's governing documents or the person's successor in interest retains
1002 authority to:
1003 (a) appoint or remove members of the association's board of directors; or
1004 (b) exercise power or authority assigned to the association under the association's
1005 governing documents.
- 1006 ~~[(21)]~~ (22) "Political sign" means any sign or document that advocates:
1007 (a) the election or defeat of a candidate for public office; or
1008 (b) the approval or defeat of a ballot proposition.
- 1009 ~~[(22)]~~ (23) "Protected area" means the same as that term is defined in Section 77-27-21.7.
1010 ~~[(23)]~~ (24) "Rentals" or "rental lot" means:
1011 (a) a lot that:
1012 (i) is not owned by an entity or trust; and
1013 (ii) is occupied by an individual while the lot owner is not occupying the lot as the lot

- 1014 owner's primary residence;
- 1015 (b) an occupied lot owned by an entity or trust, regardless of who occupies the lot; or
- 1016 (c) an internal accessory dwelling unit as defined in Section 10-9a-530 or 17-27a-526.
- 1017 ~~[(24)]~~ (25) "Residential lot" means a lot, the use of which is limited by law, covenant, or
- 1018 otherwise to primarily residential or recreational purposes.
- 1019 ~~[(25)]~~ (26)(a) "Rule" means a policy, guideline, restriction, procedure, or regulation of an
- 1020 association that:
- 1021 (i) is not set forth in a contract, easement, article of incorporation, bylaw, or
- 1022 declaration; and
- 1023 (ii) governs:
- 1024 (A) the conduct of persons; or
- 1025 (B) the use, quality, type, design, or appearance of real property or personal
- 1026 property.
- 1027 (b) "Rule" does not include the internal business operating procedures of a board.
- 1028 ~~[(26)]~~ (27) "Sex offender" means the same as that term is defined in Section 77-27-21.7.
- 1029 ~~[(27)]~~ (28) "Solar energy system" means:
- 1030 (a) a system that is used to produce electric energy from sunlight; and
- 1031 (b) the components of the system described in Subsection ~~[(27)(a)]~~ (28)(a).
- 1032 Section 14. Section **57-8a-104** is amended to read:
- 1033 **57-8a-104 . Limitation on requirements for amending governing documents --**
- 1034 **Limitation on contracts.**
- 1035 (1)(a)(i) To amend the governing documents, the governing documents may not
- 1036 require:
- 1037 (A) for an amendment adopted after the period of administrative control, the vote
- 1038 or approval of lot owners with more than 67% of the voting interests;
- 1039 (B) the approval of any specific lot owner; or
- 1040 (C) the vote or approval of lien holders holding more than 67% of the first
- 1041 position security interests secured by a mortgage or trust deed in the
- 1042 association.
- 1043 (ii) An amendment to the declaration after the period of administrative control may
- 1044 be adopted by a majority vote of voters, or a greater percentage if required in the
- 1045 declaration, at a meeting where at least 51% of the voting interests are present.
- 1046 ~~[(ii)]~~ (iii) Any provision in the governing documents that prohibits a vote or approval
- 1047 to amend any part of the governing documents during a particular time period is

- 1048 invalid.
- 1049 (iv) The board may not amend the declaration.
- 1050 (b) Subsection (1)(a) does not apply to an amendment affecting only:
- 1051 (i) lot boundaries; or
- 1052 (ii) lot owner's voting rights.
- 1053 (2)(a) A contract for services such as garbage collection, maintenance, lawn care, or
- 1054 snow removal executed on behalf of the association during a period of administrative
- 1055 control is binding beyond the period of administrative control unless terminated by
- 1056 the board of directors after the period of administrative control ends.
- 1057 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,
- 1058 cable services, and other similar services that require an investment of infrastructure
- 1059 or capital.
- 1060 (3) Voting interests under Subsection (1) are calculated in the manner required by the
- 1061 governing documents.
- 1062 (4) Nothing in this section affects any other rights reserved by the person who filed the
- 1063 association's original governing documents or a successor in interest.
- 1064 (5) This section applies to an association regardless of when the association is created.
- 1065 Section 15. Section **57-8a-105** is amended to read:
- 1066 **57-8a-105 . Registration with Department of Commerce -- Department**
- 1067 **publication of educational materials.**
- 1068 (1) As used in this section, "department" means the Department of Commerce created in
- 1069 Section 13-1-2.
- 1070 (2)(a) No later than 90 days after the recording of a declaration of covenants, conditions,
- 1071 and restrictions establishing an association, the association shall register with the
- 1072 department in the manner established by the department.
- 1073 (b) An association existing under a declaration of covenants, conditions, and restrictions
- 1074 recorded before May 10, 2011, shall, no later than July 1, 2011, register with the
- 1075 department in the manner established by the department.
- 1076 (3) The department shall require an association registering as required in this section to
- 1077 provide with each registration:
- 1078 (a) the name and address of the association;
- 1079 (b) the name, address, telephone number, and, if applicable, email address of the chair of
- 1080 the association board;
- 1081 (c) contact information for the manager;

- 1082 (d) the name, address, telephone number, and, if the contact person wishes to use email
1083 or facsimile transmission for communicating payoff information, the email address or
1084 facsimile number, as applicable, of a primary contact person who has association
1085 payoff information that a closing agent needs in connection with the closing of a lot
1086 owner's financing, refinancing, or sale of the owner's lot; and
- 1087 (e) a registration fee [~~not to exceed \$37~~] set by the department in accordance with
1088 Section 63J-1-504.
- 1089 (4)(a) An association shall annually renew the association's registration described in
1090 Subsection (2).
- 1091 (b) The department may impose and set the amount of a renewal registration fee in
1092 accordance with Section 63J-1-504.
- 1093 [~~(4)~~] (5) An association that has registered under Subsection (2) shall submit to the
1094 department an [updated registration] update to the association's registration information,
1095 in the manner established by the department, within 90 days after a change in any of the
1096 information provided under Subsection (3).
- 1097 [~~(5)~~] (6)(a) During any period of noncompliance with the registration requirement
1098 described in Subsection (2) or the requirement for an updated registration described
1099 in Subsection [~~(4)~~] (5):
- 1100 (i) a lien may not arise under Section 57-8a-301; and
1101 (ii) an association may not enforce an existing lien that arose under Section 57-8a-301.
- 1102 (b) A period of noncompliance with the registration requirement of Subsection (2) or
1103 with the updated registration requirement of Subsection [~~(4)~~] (5) does not begin until
1104 after the expiration of the 90-day period specified in Subsection (2) or [~~(4)~~] (5),
1105 respectively.
- 1106 (c) An association that is not in compliance with the registration requirement described
1107 in Subsection (2) may end the period of noncompliance by registering with the
1108 department in the manner established by the department under Subsection (2).
- 1109 (d) An association that is not in compliance with the updated registration requirement
1110 described in Subsection [~~(4)~~] (5) may end the period of noncompliance by submitting
1111 to the department an updated registration in the manner established by the department
1112 under Subsection [~~(4)~~] (5).
- 1113 (e) Except as described in Subsection [~~(5)(f)~~] (6)(f), beginning on the date an association
1114 ends a period of noncompliance:
- 1115 (i) a lien may arise under Section 57-8a-301 for any event that:

- 1116 (A) occurred during the period of noncompliance; and
- 1117 (B) would have given rise to a lien under Section 57-8a-301 had the association
- 1118 been in compliance with the registration requirements described in this section;
- 1119 and
- 1120 (ii) an association may enforce a lien described in this Subsection [~~(5)~~(e)] (6)(e) or a
- 1121 lien that existed before the period of noncompliance.
- 1122 (f) If an owner's residential lot is conveyed to an independent third party during a period
- 1123 of noncompliance described in this Subsection [~~(5)~~] (6):
- 1124 (i) a lien that arose under Section 57-8a-301 before the conveyance of the residential
- 1125 lot became final is extinguished when the conveyance of the residential lot
- 1126 becomes final; and
- 1127 (ii) an event that occurred before the conveyance of the residential lot became final,
- 1128 and that would have given rise to a lien under Section 57-8a-301 had the
- 1129 association been in compliance with the registration requirements of this section,
- 1130 may not give rise to a lien under Section 57-8a-301 if the conveyance of the
- 1131 residential lot becomes final before the association ends the period of
- 1132 noncompliance.
- 1133 [~~(6)~~] (7) The department shall publish educational materials on the department's website
- 1134 providing, in simple and easy to understand language, a brief overview of state law
- 1135 governing associations, including:
- 1136 (a) a description of the rights and responsibilities provided in this chapter to any party
- 1137 under the jurisdiction of an association; and
- 1138 (b) instructions regarding how an association may be organized and dismantled in
- 1139 accordance with this chapter.
- 1140 [~~(7)~~] (8)(a) Unless otherwise expressly exempted, this chapter applies to an association
- 1141 that registers, or renews or updates the association's registration, with the department
- 1142 under this section.
- 1143 (b) This section applies to an association regardless of when the association is created.
- 1144 Section 16. Section **57-8a-109** is amended to read:
- 1145 **57-8a-109 . Approval of plans.**
- 1146 (1) As used in this section:
- 1147 (a) "Fire-resistant material" means a material designed and tested to resist ignition, slow
- 1148 the spread of fire, or withstand high temperatures, including:
- 1149 (i) Class A roofing;

- 1150 (ii) non-combustible siding;
 1151 (iii) a fiber cement product;
 1152 (iv) metal roofing; or
 1153 (v) fire-rated gypsum board.
- 1154 ~~[(a)]~~ (b) "Lot plans" means plans:
 1155 (i) for the construction or improvement of a lot; and
 1156 (ii) that are required to be approved by the association before the lot construction or
 1157 improvement may occur.
- 1158 ~~[(b)]~~ (c) "Plan fee" means a fee that an association charges for review and approval of lot
 1159 plans.
- 1160 (2) An association may not charge a plan fee that exceeds the actual cost of reviewing and
 1161 approving the lot plans.
- 1162 (3) An association may not prohibit, unreasonably restrict, deny, or delay a plan due to the
 1163 plan's inclusion of a fire-resistant material in an area with heightened risk of wildfire.
- 1164 (4) If the association denies a lot plan, the association shall provide written notice to the lot
 1165 owner specifying:
 1166 (a) each governing document provision on which the association relied when denying
 1167 the plan; and
 1168 (b) the specific aspect of the proposed plan that does not conform to the specified
 1169 governing document provision.
- 1170 Section 17. Section **57-8a-201** is amended to read:
 1171 **57-8a-201 . Payment of a common expense or assessment -- Late fees.**
- 1172 (1) An owner shall pay the owner's proportionate share of:
 1173 (a) the common expenses; and
 1174 (b) any other assessments levied by the association.
- 1175 (2) A payment described in Subsection (1) shall be in the amount and at the time
 1176 determined by the board of directors in accordance with the terms of the:
 1177 (a) declaration; or
 1178 (b) bylaws.
- 1179 (3) An assessment levied against a lot is:
 1180 (a) a debt of the owner at the time the assessment is made; and
 1181 (b) collectible as a debt described in Subsection (3)(a).
- 1182 (4) The board of directors may impose, for a late payment:
 1183 (a) a late fee, not to exceed the greater of:

- 1184 (i) 10% of the assessment amount; or
- 1185 (ii) \$50; and
- 1186 (b) interest on the assessment and late fee of up to 1.5% per month.
- 1187 (5) Before imposing a fee under this section, the board of directors shall:
- 1188 (a) adopt a fee schedule by rule in accordance with Section 57-8a-217 that describes the
- 1189 amount of fee the board shall impose; and
- 1190 (b) provide a copy of the fee schedule to each lot owner.
- 1191 Section 18. Section **57-8a-218** is amended to read:
- 1192 **57-8a-218 . Equal treatment by rules required -- Limits on association rules and**
- 1193 **design criteria.**
- 1194 (1)(a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated lot
- 1195 owners similarly.
- 1196 (b) [~~Notwithstanding Subsection (1)(a), a~~] A rule may:
- 1197 (i) vary according to the level and type of service that the association provides to lot
- 1198 owners;
- 1199 (ii) differ between residential and nonresidential uses; and
- 1200 (iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
- 1201 limit on the number of individuals who may use the common areas and facilities
- 1202 as guests of the lot tenant or lot owner.
- 1203 (2)(a) [~~Hf~~] Except as provided in Subsection (2)(b), if a lot owner owns a rental lot and is
- 1204 in compliance with the association's governing documents and any rule that the
- 1205 association adopts under Subsection (4), a rule may not treat the lot owner differently
- 1206 because the lot owner owns a rental lot.
- 1207 (b) [~~Notwithstanding Subsection (2)(a), a~~] A rule may:
- 1208 (i) limit or prohibit a rental lot owner from using the common areas for purposes
- 1209 other than attending an association meeting or managing the rental lot;
- 1210 (ii) if the rental lot owner retains the right to use the association's common areas,
- 1211 even occasionally:
- 1212 (A) charge a rental lot owner a fee to use the common areas; or
- 1213 (B) for a lot that an owner leases for a term of less than 30 days, impose a
- 1214 reasonable limit on the number of individuals who may use the common areas
- 1215 and facilities as guests of the lot tenant or lot owner; or
- 1216 (iii) include a provision in the association's governing documents that:
- 1217 (A) requires each tenant of a rental lot to abide by the terms of the governing

- 1218 documents; and
- 1219 (B) holds the tenant and the rental lot owner jointly and severally liable for a
- 1220 violation of a provision of the governing documents.
- 1221 (3)(a) ~~[A]~~ Except as provided in Subsection (3)(b), a rule ~~[criterion]~~ may not abridge the
- 1222 rights of a lot owner to display a religious or holiday sign, symbol, or decoration on:
- 1223 ~~[(i) inside a dwelling on a lot; or]~~
- 1224 ~~[(ii) outside a dwelling on:]~~
- 1225 ~~[(A)]~~ (i) a lot;
- 1226 ~~[(B)]~~ (ii) the exterior of the dwelling, unless the association has an ownership interest
- 1227 in, or a maintenance, repair, or replacement obligation for, the exterior; or
- 1228 ~~[(C)]~~ (iii) the front yard of the dwelling, unless the association has an ownership
- 1229 interest in, or a maintenance, repair, or replacement obligation for, the yard.
- 1230 (b) ~~[Notwithstanding Subsection (3)(a), the]~~ The association may adopt a reasonable
- 1231 time, place, and manner restriction with respect to a display that is:
- 1232 (i) outside a dwelling on:
- 1233 (A) a lot;
- 1234 (B) the exterior of the dwelling; or
- 1235 (C) the front yard of the dwelling; and
- 1236 (ii) visible from outside the lot.
- 1237 (4)(a) A rule may not prohibit a lot owner from displaying a political sign or flag on:
- 1238 ~~[(i) inside a dwelling on a lot; or]~~
- 1239 ~~[(ii) outside a dwelling on:]~~
- 1240 ~~[(A)]~~ (i) a lot;
- 1241 ~~[(B)]~~ (ii) the exterior of the dwelling, regardless of whether the association has an
- 1242 ownership interest in the exterior; or
- 1243 ~~[(C)]~~ (iii) the front yard of the dwelling, regardless of whether the association has an
- 1244 ownership interest in the yard.
- 1245 (b) ~~[A]~~ Except as provided in Subsection (4)(c), a rule may not regulate the content of a
- 1246 political sign or flag.
- 1247 (c) A rule may restrict a political sign or flag that contains obscene, profane, or
- 1248 commercial content.
- 1249 ~~[(e)]~~ ~~(d)~~ ~~[Notwithstanding Subsection (4)(a), a]~~ A rule may reasonably regulate the time,
- 1250 place, and manner of posting a political sign or flag.
- 1251 ~~[(d)]~~ (e) An association design provision may not establish design criteria for a political

- 1252 sign or flag.
- 1253 (5)(a) A rule may not prohibit a lot owner from displaying a for-sale sign on:
- 1254 [(i) ~~inside a dwelling on a lot; or~~]
- 1255 [(ii) ~~outside a dwelling on:~~]
- 1256 [(A)] (i) a lot;
- 1257 [(B)] (ii) the exterior of the dwelling, regardless of whether the association has an
- 1258 ownership interest in the exterior; or
- 1259 [(C)] (iii) the front yard of the dwelling, regardless of whether the association has an
- 1260 ownership interest in the yard.
- 1261 (b) [~~Notwithstanding Subsection (5)(a), a~~] A rule may reasonably regulate the time,
- 1262 place, and manner of posting a for-sale sign.
- 1263 (6)(a) [~~A~~] Except as provided in Subsection (6)(b), a rule may not interfere with the
- 1264 freedom of a lot owner to determine the composition of the lot owner's household.
- 1265 (b) [~~Notwithstanding Subsection (6)(a), an~~] An association may:
- 1266 (i) require that all occupants of a dwelling be members of a single housekeeping unit;
- 1267 or
- 1268 (ii) limit the total number of occupants permitted in each residential dwelling on the
- 1269 basis of the residential dwelling's:
- 1270 (A) size and facilities; and
- 1271 (B) fair use of the common areas.
- 1272 (7)(a) [~~A~~] Except as provided in Subsection (7)(b), a rule may not interfere with a
- 1273 reasonable activity of a lot owner within the confines of a dwelling or lot, including
- 1274 backyard landscaping or amenities, to the extent that the activity is in compliance
- 1275 with local laws and ordinances, including nuisance laws and ordinances.
- 1276 (b) [~~Notwithstanding Subsection (7)(a), a~~] A rule may prohibit an activity within the
- 1277 confines of a dwelling or lot, including backyard landscaping or amenities, if the
- 1278 activity:
- 1279 (i) is not normally associated with a project restricted to residential use; or
- 1280 (ii)(A) creates monetary costs for the association or other lot owners;
- 1281 (B) creates a danger to the health or safety of occupants of other lots;
- 1282 (C) generates excessive noise or traffic;
- 1283 (D) creates unsightly conditions visible [~~from~~] to an individual standing outside the
- 1284 dwelling;
- 1285 (E) creates an unreasonable source of annoyance to persons outside the lot; or

- 1286 (F) if there are attached dwellings, creates the potential for smoke to enter another
 1287 lot owner's dwelling, the common areas, or limited common areas.
- 1288 (c) If permitted by law, an association may adopt rules described in Subsection (7)(b)
 1289 that affect the use of or behavior inside the dwelling.
- 1290 (8)(a) A rule may not, to the detriment of a lot owner and over the lot owner's written
 1291 objection to the board, alter the allocation of financial burdens among the various lots.
- 1292 (b) ~~[Notwithstanding Subsection (7)(b), an]~~ An association may:
 1293 (i) change the common areas available to a lot owner;
 1294 (ii) adopt generally applicable rules for the use of common areas; or
 1295 (iii) deny use privileges to a lot owner who:
 1296 (A) is delinquent in paying assessments;
 1297 (B) abuses the common areas; or
 1298 (C) violates the governing documents.
- 1299 (c) This Subsection (8) does not permit a rule that:
 1300 (i) alters the method of levying assessments; or
 1301 (ii) increases the amount of assessments as provided in the declaration.
- 1302 (9)(a) Subject to Subsection (9)(b), a rule may not:
 1303 (i) prohibit the transfer of a lot; or
 1304 (ii) require the consent of the association or board to transfer a lot.
- 1305 (b) Unless contrary to a declaration, a rule may require a minimum lease term.
- 1306 (10)(a) A rule may not require a lot owner to dispose of personal property that was in or
 1307 on a lot before the adoption of the rule or design criteria if the personal property was
 1308 in compliance with all rules and other governing documents previously in force.
- 1309 (b) The exemption in Subsection (10)(a):
 1310 (i) applies during the period of the lot owner's ownership of the lot; and
 1311 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption
 1312 of the rule described in Subsection (10)(a).
- 1313 (11) A rule or action by the association or action by the board may not unreasonably
 1314 impede a declarant's ability to satisfy existing development financing for community
 1315 improvements and right to develop:
 1316 (a) the project; or
 1317 (b) other properties in the vicinity of the project.
- 1318 (12) A rule or association or board action may not interfere with:
 1319 (a) the use or operation of an amenity that the association does not own or control; or

- 1320 (b) the exercise of a right associated with an easement.
- 1321 (13) A rule may not divest a lot owner of the right to proceed in accordance with a
1322 completed application for design review, or to proceed in accordance with another
1323 approval process, under the terms of the governing documents in existence at the time
1324 the completed application was submitted by the owner for review.
- 1325 (14) Unless otherwise provided in the declaration, an association may by rule:
- 1326 (a) regulate the use, maintenance, repair, replacement, and modification of common
1327 areas;
- 1328 (b) impose and receive any payment, fee, or charge for:
- 1329 (i) the use, rental, or operation of the common areas, except limited common areas;
1330 and
- 1331 (ii) a service provided to a lot owner;
- 1332 (c) impose a charge for a late payment of an assessment; or
- 1333 (d) provide for the indemnification of the association's officers and board consistent with
1334 Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
- 1335 [~~(15) A rule may not prohibit a lot owner from installing a personal security camera
1336 immediately adjacent to the entryway, window, or other outside entry point of the
1337 owner's dwelling unit.~~]
- 1338 [(16)] (15)(a) For any area for which one or more lot owners are responsible for
1339 landscape maintenance of any landscaping within the lot owner's lot or the common
1340 areas, the association shall adopt rules supporting water wise landscaping as defined
1341 in Section 57-8a-231 including:
- 1342 (i) low water use requirements on lawns during drought conditions;
- 1343 (ii) design criterion for water wise landscaping; and
- 1344 (iii) limiting permissible plant material to specific water wise plant material.
- 1345 (b) A rule may not:
- 1346 (i) prohibit or restrict the conversion of a grass park strip to water wise landscaping
1347 as defined in Section 57-8a-231; or
- 1348 (ii) prohibit low water use on lawns during drought conditions.
- 1349 [(17)] (16)(a) Except as provided in Subsection [(17)(b)] (16)(b), a rule may not prohibit
1350 the owner of a residential lot from constructing an internal accessory dwelling unit,
1351 as defined in Section 10-9a-530 or 17-27a-526, within the owner's residential lot.
- 1352 (b) Subsection [(17)(a)] (16)(a) does not apply if the construction would violate:
- 1353 (i) a local land use ordinance;

- 1354 (ii) a building code;
- 1355 (iii) a health code; or
- 1356 (iv) a fire code.
- 1357 ~~[(18)]~~ (17)(a) Except as provided in Subsection ~~[(18)(b)]~~ (17)(b), a rule may not prohibit
- 1358 the owner of a residential lot from making modifications, consistent with industry
- 1359 standards, for radon mitigation.
- 1360 (b) Subsection ~~[(18)(a)]~~ (17)(a) does not apply if the modifications would violate:
- 1361 (i) a local land use ordinance;
- 1362 (ii) a building code;
- 1363 (iii) a health code; or
- 1364 (iv) a fire code.
- 1365 (c) A rule governing the placement or external appearance of modifications for radon
- 1366 mitigation does not apply to a lot owner's modifications if the rule would:
- 1367 (i) unreasonably interfere with the modifications' functionality; or
- 1368 (ii) add more than 40% of the modifications' original cost to the cost of installing the
- 1369 modifications.
- 1370 (d) A rule may require that a lot owner making modifications related to radon mitigation:
- 1371 (i) demonstrate or provide proof of radon contamination; and
- 1372 (ii) provide proof that the modifications and any related construction will be
- 1373 performed by a licensed person.
- 1374 ~~[(19)]~~ (18) A rule may restrict a sex offender from accessing a protected area that is
- 1375 maintained, operated, or owned by the association, subject to the exceptions described in
- 1376 Subsection 77-27-21.7(3).
- 1377 (19)(a) As used in this Subsection (19), "vegetable garden" means a plot of ground or
- 1378 elevated soil bed where vegetables, herbs, fruits, flowers, pollinator plants, leafy
- 1379 greens, or other edible plants are cultivated.
- 1380 (b) A rule may not prohibit a vegetable garden on the rear yard of a lot on which the
- 1381 association does not have an ownership interest or a maintenance responsibility.
- 1382 (c) A rule may:
- 1383 (i) impose reasonable regulations that do not significantly increase the cost of
- 1384 cultivating a vegetable garden or significantly decrease the efficiency of
- 1385 cultivating a vegetable garden, including reasonable regulations on plant height,
- 1386 water use, fertilizer use, and weed maintenance; and
- 1387 (ii) prohibit the cultivation of invasive or unlawful species.

- 1388 (20)(a) Except as provided in Subsection (20)(b), a rule may not restrict an individual
1389 from parking an operable vehicle in a driveway where the vehicle has a legal right to
1390 park, unless the vehicle is:
- 1391 (i) a commercial vehicle, as defined in Section 72-9-102;
 - 1392 (ii) a motor home, as defined in Section 13-20-2; or
 - 1393 (iii) a recreational vehicle trailer, as defined in Section 13-20-2.
- 1394 (b) A rule may require that an individual park in a garage appurtenant to a dwelling
1395 before parking elsewhere.
- 1396 (21)(a) Except as provided in Subsection (21)(b), a rule may not restrict an individual
1397 from operating a vehicle that is not a commercial vehicle, as defined in Section
1398 72-9-102, in conformance with state traffic laws.
- 1399 (b) A rule may enforce a reduced speed limit on a private roadway.
- 1400 (22) A rule may not:
- 1401 (a) prohibit a lot owner from installing a personal security camera immediately adjacent
1402 to the entryway, window, or other outside entry point of the owner's dwelling unit;
 - 1403 (b) impose a requirement or restriction on:
 - 1404 (i) a dwelling's interior, except as reasonably necessary for the safety of adjacent lots
1405 and the occupants of those lots; or
 - 1406 (ii) the use of a public street, as defined in Section 10-9a-103;
 - 1407 (c) restrict an individual from:
 - 1408 (i) installing, displaying, or storing an item that the individual has a legal right to
1409 store if the item is not visible to an individual standing outside the lot;
 - 1410 (ii) installing or keeping a properly maintained basketball standard on the individual's
1411 driveway or property if the driveway or property where the basketball standard is
1412 located is:
 - 1413 (A) privately owned and maintained; and
 - 1414 (B) abutting a public street; or
 - 1415 (iii) hiring a contractor or worker solely because the contractor or worker:
 - 1416 (A) is not on the association's preferred vendor list; or
 - 1417 (B) does not have a professional or occupational license, unless the license is
1418 required by law; or
 - 1419 (d) be inconsistent with a provision of the association's declaration, bylaws, or articles of
1420 incorporation.
- 1421 [(20)] (23) A rule shall be reasonable.

1422 [(21)] (24) A declaration, or an amendment to a declaration, may vary any of the
 1423 requirements of Subsections (1), (2), (6), and (8) through (14), except Subsection
 1424 (1)(b)(ii).

1425 [~~(22) A rule may not be inconsistent with a provision of the association's declaration,
 1426 bylaws, or articles of incorporation.~~]

1427 [(23)] (25) This section applies to an association regardless of when the association is
 1428 created.

1429 Section 19. Section **57-8a-227** is amended to read:

1430 **57-8a-227 . Records -- Availability for examination.**

1431 (1)(a) Subject to Subsection (1)(b) and regardless of whether the association is
 1432 incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, an
 1433 association shall keep and make available to lot owners:

1434 (i) each record identified in Subsections 16-6a-1601(1) through (5), [~~in accordance~~
 1435 ~~with]~~ in the manner described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603,
 1436 16-6a-1605, 16-6a-1606, and 16-6a-1610; and

1437 (ii) a copy of the association's:

1438 (A) governing documents;

1439 (B) most recent approved minutes;

1440 (C) most recent annual budget and financial statement;

1441 (D) most recent reserve analysis; [~~and]~~

1442 (E) certificate of insurance for each insurance policy the association holds[-] ;

1443 (F) board meeting minutes from the previous three calendar years;

1444 (G) a profit and loss statement for the previous three fiscal years; and

1445 (H) a balance sheet for the previous three fiscal years;

1446 (b) An association may redact the following information from any document the
 1447 association produces for inspection or copying:

1448 (i) a Social Security number;

1449 (ii) a bank account number; or

1450 (iii) any communication subject to attorney-client privilege.

1451 (2)(a) In addition to the requirements described in Subsection (1), an association shall:

1452 (i) make documents available to lot owners in accordance with the association's
 1453 governing documents; and

1454 (ii)(A) if the association has an active website, make the documents described in
 1455 Subsections (1)(a)(ii)(A) through (C) available to lot owners, free of charge,

- 1456 through the website; or
- 1457 (B) if the association does not have an active website, make physical copies of the
- 1458 documents described in Subsections (1)(a)(ii)(A) through (C) available to lot
- 1459 owners during regular business hours at the association's address registered
- 1460 with the Department of Commerce under Section 57-8a-105.
- 1461 (b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
- 1462 (c) If a provision of an association's governing documents conflicts with a provision of
- 1463 this section, the provision of this section governs.
- 1464 (3) In a written request to inspect or copy documents:
- 1465 (a) a lot owner shall include:
- 1466 (i) the association's name;
- 1467 (ii) the lot owner's name;
- 1468 (iii) the lot owner's property address;
- 1469 (iv) the lot owner's email address;
- 1470 (v) a description of the documents requested; and
- 1471 (vi) any election or request described in Subsection (3)(b); and
- 1472 (b) a lot owner may:
- 1473 (i) elect whether to inspect or copy the documents;
- 1474 (ii) if the lot owner elects to copy the documents, request hard copies or electronic
- 1475 scans of the documents; or
- 1476 (iii) subject to Subsection (4), request that:
- 1477 (A) the association make the copies or electronic scans of the requested
- 1478 documents;
- 1479 (B) a recognized third party duplicating service make the copies or electronic
- 1480 scans of the requested documents;
- 1481 (C) the lot owner be allowed to bring any necessary imaging equipment to the
- 1482 place of inspection and make copies or electronic scans of the documents while
- 1483 inspecting the documents; or
- 1484 (D) the association email the requested documents to an email address provided in
- 1485 the request.
- 1486 (4)(a) An association shall comply with a request described in Subsection (3) within two
- 1487 weeks after the day on which the association receives the request.
- 1488 (b) If an association produces the copies or electronic scans:
- 1489 (i) the copies or electronic scans shall be legible and accurate; [~~and~~]

- 1490 (ii) the lot owner shall pay the association the reasonable cost of the copies [~~or~~
1491 ~~electronic scans~~]and for time spent meeting with the lot owner, which may not
1492 exceed:
- 1493 (A) the actual cost that the association paid to a recognized third party duplicating
1494 service to make the copies or electronic scans; or
- 1495 (B) 10 cents per page and [~~\$15~~] \$20 per hour for the employee's, manager's, or
1496 other agent's time~~[.]~~ ; and
- 1497 (iii) the association may not charge the lot owner for any costs associated with
1498 fulfilling a request for electronic transmission of the documents described in
1499 Subsection (3).
- 1500 (c) If a lot owner requests a recognized third party duplicating service make the copies
1501 or electronic scans:
- 1502 (i) the association shall arrange for the delivery and pick up of the original
1503 documents; and
- 1504 (ii) the lot owner shall pay the duplicating service directly.
- 1505 (d) If a lot owner requests to bring imaging equipment to the inspection, the association
1506 shall provide the necessary space, light, and power for the imaging equipment.
- 1507 (e) An association may fulfill the request described in Subsection (3) by posting the
1508 documents described in Subsection (3) to the association's website or online owner
1509 portal.
- 1510 (5) Subject to Subsection (9), if, in response to a lot owner's request to inspect or copy
1511 documents, an association fails to comply with a provision of this section, the
1512 association shall pay:
- 1513 (a) the reasonable costs of inspecting and copying the requested documents;
- 1514 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the lot owner
1515 who made the request for each day the request continues unfulfilled, beginning the
1516 sixth day after the day on which the lot owner made the request; and
- 1517 (c) reasonable attorney fees and costs incurred by the lot owner in obtaining the
1518 inspection and copies of the requested documents.
- 1519 (6)(a) In addition to any remedy in the association's governing documents or otherwise
1520 provided by law, a lot owner may file an action in court against the association under
1521 this section if:
- 1522 (i) subject to Subsection (9), an association fails to make documents available to the
1523 lot owner in accordance with this section, the association's governing documents,

- 1524 or as otherwise provided by law; and
- 1525 (ii) the association fails to timely comply with a notice described in Subsection (6)(d).
- 1526 (b) In an action described in Subsection (6)(a):
- 1527 (i) the lot owner may request:
- 1528 (A) injunctive relief requiring the association to comply with the provisions of this
- 1529 section;
- 1530 (B) [~~\$500~~] \$1,000 or actual damage, whichever is greater; or
- 1531 (C) any other relief provided by law; and
- 1532 (ii) the court [~~shall~~] may award costs and reasonable attorney fees to the prevailing
- 1533 party, including any reasonable attorney fees incurred before the action was filed
- 1534 that relate to the request that is the subject of the action.
- 1535 (c)(i) In an action described in Subsection (6)(a), upon motion by the lot owner made
- 1536 in accordance with Subsection (6)(b), notice to the association, and a hearing in
- 1537 which the court finds a likelihood that the association failed to comply with a
- 1538 provision of this section, the court shall order the association to immediately
- 1539 comply with the provision.
- 1540 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days
- 1541 after the day on which the lot owner files the motion.
- 1542 (d) At least 10 days before the day on which a lot owner files an action described in
- 1543 Subsection (6)(a), the lot owner shall deliver a written notice to the association that
- 1544 states:
- 1545 (i) the lot owner's name, address, telephone number, and email address;
- 1546 (ii) each requirement of this section with which the association has failed to comply;
- 1547 (iii) a demand that the association comply with each requirement with which the
- 1548 association has failed to comply; and
- 1549 (iv) a date by which the association shall remedy the association's noncompliance
- 1550 that is at least 10 days after the day on which the lot owner delivers the notice to
- 1551 the association.
- 1552 (7)(a) The provisions of Section 16-6a-1604 do not apply to an association.
- 1553 (b) The provisions of this section apply regardless of any conflicting provision in Title
- 1554 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
- 1555 (8) A lot owner's agent may, on the lot owner's behalf, exercise or assert any right that the
- 1556 lot owner has under this section.
- 1557 (9) An association is not liable for identifying or providing a document in error, if the

1558 association identified or provided the erroneous document in good faith.

1559 Section 20. Section **57-8a-229** is amended to read:

1560 **57-8a-229 . Liability of declarant or board of directors -- Period of**
1561 **administrative control.**

1562 (1) An association may not, after the period of administrative control, bring a legal action
1563 against a declarant, a board of directors, or an employee, an independent contractor, or
1564 the agent of the declarant or the previous board of directors related to the period of
1565 administrative control unless:

1566 (a) the legal action is approved in advance at a meeting where owners of at least 51% of
1567 the allocated voting interests of the lot owners in the association are:

1568 (i) present; or

1569 (ii) represented by a proxy specifically assigned for the purpose of voting to approve
1570 or deny the legal action at the meeting;

1571 (b) the legal action is approved by vote in person or by proxy of owners of the lesser of:

1572 (i) more than 75% of the allocated voting interests of the lot owners present at the
1573 meeting or represented by a proxy as described in Subsection (1)(a); or

1574 (ii) more than 51% of the allocated voting interests of the lot owners in the
1575 association;

1576 (c) the association provides each lot owner with the items described in Subsection (2);

1577 (d) the association establishes the trust described in Subsection (3); and

1578 (e) the association first:

1579 (i) notifies the person subject to the proposed legal action of the legal action and basis
1580 of the association's claim; and

1581 (ii) gives the person subject to the claim a reasonable opportunity to resolve the
1582 dispute that is the basis of the proposed legal action.

1583 (2) Before lot owners in an association may vote to approve an action described in

1584 Subsection (1), the association shall provide each lot owner:

1585 (a) a written notice that the association is contemplating legal action; and

1586 (b) after the association consults with an attorney licensed to practice in the state, a
1587 written assessment of:

1588 (i) the likelihood that the legal action will succeed;

1589 (ii) the likely amount in controversy in the legal action;

1590 (iii) the likely cost of resolving the legal action to the association's satisfaction; and

1591 (iv) the likely effect the legal action will have on a lot owner's or prospective lot

- 1592 buyer's ability to obtain financing for a lot while the legal action is pending.
- 1593 (3) Before the association commences a legal action described in Subsection (1), the
- 1594 association shall:
- 1595 (a) allocate an amount equal to 10% of the cost estimated to resolve the legal action, not
- 1596 including attorney fees; and
- 1597 (b) place the amount described in Subsection (3)(a) in a trust that the association may
- 1598 only use to pay the costs to resolve the legal action.
- 1599 (4) This section does not apply to an association that brings a legal action that has an
- 1600 amount in controversy of less than \$75,000.
- 1601 (5) In a legal action brought by one or more lot owners solely against the declarant before
- 1602 the end of the period of declarant control, a declarant may not use any funds paid by a
- 1603 lot owner to the association to pay for costs of the declarant's legal defense.

1604 Section 21. Section **57-8a-231** is amended to read:

1605 **57-8a-231 . Water wise landscaping.**

- 1606 (1) As used in this section:
- 1607 (a) "Lawn or turf" means nonagricultural land planted in closely mowed, managed
- 1608 grasses.
- 1609 (b) "Mulch" means material such as rock, bark, wood chips, or other materials left loose
- 1610 and applied to the soil.
- 1611 (c) "Overhead spray irrigation" means above ground irrigation heads that spray water
- 1612 through a nozzle.
- 1613 (d)(i) "Vegetative coverage" means the ground level surface area covered by the
- 1614 exposed leaf area of a plant or group of plants at full maturity.
- 1615 (ii) "Vegetative coverage" does not mean the ground level surface area covered by
- 1616 the exposed leaf area of a tree or trees.
- 1617 (e) "Water wise landscaping" means any or all of the following:
- 1618 (i) installation of plant materials suited to the microclimate and soil conditions that
- 1619 can:
- 1620 (A) remain healthy with minimal irrigation once established; or
- 1621 (B) be maintained without the use of overhead spray irrigation;
- 1622 (ii) use of water for outdoor irrigation through proper and efficient irrigation design
- 1623 and water application; or
- 1624 (iii) the use of other landscape design features that:
- 1625 (A) minimize the need of the landscape for supplemental water from irrigation;

- 1626 (B) reduce the landscape area dedicated to lawn or turf; or
1627 (C) encourage vegetative coverage.
- 1628 (f) "Water wise plant material" means a plant material suited to water wise landscaping
1629 as defined in this section.
- 1630 (2) An association may not enact or enforce a governing document that prohibits, or has the
1631 effect of prohibiting, a lot owner of a detached dwelling from incorporating water wise
1632 landscaping on the lot owner's lot.
- 1633 (3)(a) Subject to Subsection (3)(b), Subsection (2) does not prohibit an association from
1634 requiring a property owner to:
- 1635 (i) comply with a site plan review or other review process before installing water
1636 wise landscaping;
- 1637 (ii) maintain plant material in a healthy condition; and
- 1638 (iii) follow specific water wise landscaping design requirements adopted by the
1639 association including a requirement that:
- 1640 (A) restricts or clarifies the use of mulches considered detrimental to the
1641 association's operations; and
- 1642 (B) restricts or prohibits the use of specific plant materials other than water wise
1643 plant materials.
- 1644 (b) An association may not require a lot owner to install or keep in place lawn or turf in
1645 an area.
- 1646 (4)(a) Subject to Subsection (4)(b), if an association does not adopt rules as required by
1647 Subsection [~~57-8a-218(16)~~] 57-8a-218(15) and fails to remedy the noncompliance
1648 within the time specified in Subsection (4)(c), a lot owner may file an action in state
1649 court for:
- 1650 (i) injunctive relief requiring the association to comply with the requirements of
1651 Subsection [~~57-8a-218(16)~~] 57-8a-218(15);
- 1652 (ii) \$500, or the lot owner's actual damages, whichever is greater;
- 1653 (iii) any other remedy provided by law; and
- 1654 (iv) reasonable costs and attorney fees.
- 1655 (b) No fewer than 90 days before the day on which a lot owner files a complaint under
1656 Subsection (4)(a), the lot owner shall deliver written notice described in Subsection
1657 (4)(c) to the association.
- 1658 (c) The lot owner shall include in a notice described in Subsection (4)(b):
- 1659 (i) the requirements in Subsection [~~57-8a-218(16)~~] 57-8a-218(15) for adopting water

1660 wise landscaping rules with which the association has failed to comply;
 1661 (ii) a demand that the association come into compliance with the requirements; and
 1662 (iii) a date, no fewer than 90 days after the day on which the lot owner delivers the
 1663 notice, by which the association must remedy the association's noncompliance.

1664 Section 22. Section **57-8a-232** is amended to read:

1665 **57-8a-232 . Sale of common areas.**

1666 (1) Subject to Subsection 10-9a-606(5) or 17-27a-606(5), unless otherwise provided in the
 1667 governing documents, an association may by an affirmative vote of at least 67% of the
 1668 voting interests of the association, elect to sell, convey, transfer, or otherwise dispose of
 1669 all or part of the common areas.

1670 (2) An affirmative vote described in Subsection (1) is binding upon all lot owners, and each
 1671 lot owner shall execute and deliver the appropriate instruments and perform all acts as
 1672 necessary to effect the sale, conveyance, transfer, or other disposition of the common
 1673 areas.

1674 (3) The general easement of ingress, egress, and use of the common areas and facilities
 1675 granted to an association and lot owners through recorded governing documents is
 1676 extinguished in any portion of the common areas and facilities the association sells,
 1677 conveys, transfers, or otherwise disposes of, if:

1678 (a) the lot owners, in selling, conveying, transferring, or otherwise disposing of the
 1679 portion of the common areas, comply with:

1680 (i) the provisions of this section; and

1681 (ii) Section 10-9a-606 or 17-27a-606; and

1682 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
 1683 areas results in a person other than the association or a lot owner owning the portion
 1684 of the common areas and facilities.

1685 (4) This section applies to an association regardless of when the association is created.

1686 (5) A declarant may not sell any part of the common areas during the period of
 1687 administrative control, except as provided in Section 10-9a-606 or 17-27a-606.

1688 Section 23. Section **57-8a-502** is amended to read:

1689 **57-8a-502 . Period of administrative control.**

1690 (1) Unless otherwise provided for in a declaration and subject to Subsection (2), a period of
 1691 administrative control terminates [on the first to occur of the following:] 60 days after the
 1692 day on which 80% of the lots that may be created in the association are conveyed to lot
 1693 owners other than a declarant.

- 1694 ~~[(a) 60 days after 75% of the lots that may be created are conveyed to lot owners other~~
 1695 ~~than a declarant;]~~
- 1696 ~~[(b) seven years after all declarants have ceased to offer lots for sale in the ordinary~~
 1697 ~~course of business; or]~~
- 1698 ~~[(e) the day the declarant, after giving written notice to the lot owners, records an~~
 1699 ~~instrument voluntarily surrendering all rights to control activities of the association.]~~
- 1700 (2) Notwithstanding Subsection (1), the period of administrative control terminates no later
 1701 than the earlier of:
- 1702 (a) the day on which the declarant no longer owns any lot and no longer possess any
 1703 development right; or
- 1704 (b) seven years after the day on which a declarant has ceased to offer lots, including lots
 1705 that may be created, for sale in the ordinary course of business.
- 1706 ~~[(2)]~~ (3)(a) A declarant may voluntarily surrender the right to appoint and remove a
 1707 member of the board before the period of administrative control terminates under
 1708 Subsection (1).
- 1709 (b) Subject to Subsection ~~[(2)(a)]~~ (3)(a), the declarant may require, for the duration of the
 1710 period of administrative control, that actions of the association or board, as specified
 1711 in a recorded instrument executed by the declarant, be approved by the declarant
 1712 before they become effective.
- 1713 (c) During a period of administrative control, except as provided in Subsection ~~[(2)(a)]~~
 1714 (3)(a), a declarant may appoint the declarant's officers, employees, or agents as
 1715 members of the board.
- 1716 ~~[(3)]~~ (4)(a) Upon termination of the period of administrative control, the lot owners shall
 1717 elect a board consisting of an odd number of at least three members, a majority of
 1718 whom shall be lot owners.
- 1719 (b) Unless the declaration provides for the election of officers by the lot owners, the
 1720 board shall elect officers of the association.
- 1721 (c) The board members and officers shall take office upon election or appointment.
- 1722 (5) During the period of administrative control, the declarant shall:
- 1723 (a) use reasonable care and prudence in managing and maintaining the common areas;
 1724 (b) establish a sound fiscal basis for the association by imposing and collecting
 1725 assessments and establishing reserves for the maintenance and replacement of
 1726 common areas;
- 1727 (c) for a service that the association is or will be obligated to provide, disclose to the lot

- 1728 owners the amount of money the declarant provides for or subsidizes for that service;
- 1729 (d) maintain records and account for the financial affairs of the association from the
- 1730 association's inception;
- 1731 (e) comply with and enforce the terms of the declaration, including design controls,
- 1732 land-use restrictions, and the payment of assessments; and
- 1733 (f) disclose to the lot owners all material facts and circumstances affecting:
- 1734 (i) the condition of the property that the association is responsible for maintaining;
- 1735 and
- 1736 (ii) the financial condition of the association, including the interest of the declarant
- 1737 and the declarant's affiliates in any contract, lease, or other agreement entered into
- 1738 by the association.

1739 Section 24. Section **63I-1-213** is amended to read:

1740 **63I-1-213 . Repeal dates: Title 13.**

- 1741 (1) Title 13, Chapter 1b, Office of Professional Licensure Review, is repealed July 1, 2034.
- 1742 (2) Section 13-43-202, Land Use and Eminent Domain Advisory Board -- Appointment --
- 1743 Compensation -- Duties, is repealed July 1, 2026.
- 1744 (3) Title 13, Chapter 75, Office of the Homeowners' Association Ombudsman, is repealed
- 1745 July 1, 2030.

1746 Section 25. **Effective Date.**

1747 This bill takes effect on May 7, 2025.