

Homeowners' Association Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

LONG TITLE**General Description:**

This bill amends provisions relating to homeowners' associations.

Highlighted Provisions:

This bill:

- defines terms;
- requires that the Office of the Homeowners' Association Ombudsman (office) make public each advisory opinion the office issues;
- requires that the office publish educational materials on the office's website;
- provides that an action by an attorney employed by the office does not create an attorney-client relationship;
- provides that the filing fee a person pays for an advisory opinion from the office is nonrefundable;
- provides that a homeowners' association may not require a person to engage in binding arbitration before obtaining an advisory opinion from the office;
- provides the requirements for the contents of a request for an advisory opinion;
- amends the amount of the civil penalty a court may issue after qualifying conditions are met;
- repeals the requirement that the parties to an advisory opinion split the cost of the advisory opinion;
- provides that an administrative setup fee may not exceed \$200;
- establishes the conditions under which Title 57, Chapter 8, Condominium Ownership Act, or Title 57, Chapter 8a, Community Association Act, applies;
- requires that an association of unit owners prepare and adopt an annual budget for the association;
- amends provisions relating to the applicability of Title 57, Chapter 8, Condominium Ownership Act, or Title 57, Chapter 8a, Community Association Act;
- removes the requirement that a board member and president of an association provide a

physical address to the Department of Commerce for registration;

- provides that certain documents are considered property of an association;
- provides that if a person maintains a document considered property of an association, the person shall provide the document to the association upon request;
- provides that a declarant may sell a part of the common areas during the period of administrative control to certain persons; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

13-79-103, as enacted by Laws of Utah 2025, Chapter 226
13-79-104, as enacted by Laws of Utah 2025, Chapter 226
57-1-46, as last amended by Laws of Utah 2025, Chapter 226
57-8-2, as enacted by Laws of Utah 1963, Chapter 111
57-8-3, as last amended by Laws of Utah 2025, Chapter 291
57-8-6.1, as enacted by Laws of Utah 2020, Chapter 75
57-8-10, as last amended by Laws of Utah 2014, Chapter 397
57-8-13.1, as last amended by Laws of Utah 2025, Chapter 226
57-8-16.5, as last amended by Laws of Utah 2016, Chapter 210
57-8-17, as last amended by Laws of Utah 2025, Chapters 197, 226
57-8-32, as last amended by Laws of Utah 2025, First Special Session, Chapter 15
57-8a-103, as enacted by Laws of Utah 2004, Chapter 153
57-8a-105, as last amended by Laws of Utah 2025, Chapter 226
57-8a-105.1, as enacted by Laws of Utah 2020, Chapter 75
57-8a-212, as last amended by Laws of Utah 2013, Chapter 152
57-8a-227, as last amended by Laws of Utah 2025, Chapters 197, 226
57-8a-232, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

ENACTS:

57-8-7.6, Utah Code Annotated 1953

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

Section 1. Section **13-79-103** is amended to read:

13-79-103 . Duties and jurisdiction of office.

(1) The attorneys of the office shall:

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

(b) upon request:

- (i) analyze a complaint from a lot owner, a unit owner, an association of lot owners, or an association of unit owners regarding the conduct of a lot owner, a unit owner, an association of lot owners, or an association of unit owners; and
- (ii) provide an advisory opinion as described in Section 13-79-104.

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

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

(3) Except as provided in ~~[Section 13-75-105]~~ Subsection 13-79-104(10), evidence of a review by the office and the opinions, writings, findings, and determinations of the office are not admissible as evidence in a judicial action or arbitration.

(4) The office~~[:]~~

~~[(a)]~~ shall:

(a) [-]analyze a complaint and issue an advisory opinion only for issues relating to a violation of a state statute;[-and]

(b) make public each advisory opinion the office issues in accordance with Subsection (4)(a); and

(c) publish educational materials on the office's website providing, in simple and easy to understand language, a brief overview of state law governing associations of unit owners and associations of lot owners, including:

(i) a description of the rights and responsibilities provided in Title 57, Chapter 8, Condominium Ownership Act, to a party under the jurisdiction of an association of unit owners;

(ii) a description of the rights and responsibilities provided in Title 57, Chapter 8a, Community Association Act, to a party under the jurisdiction of an association of

unit owners; and

(iii) instructions regarding how an association of unit owners or an association of lot owners may be organized and dismantled in accordance with this chapter.

~~[(b)]~~ (5) The office may not provide [any] a service that requires interpreting the governing documents of an association of lot owners or the governing documents of an association of unit owners, including determining whether a provision of the governing documents is reasonable.

(6) An action that an attorney employed by the office takes within the scope of the attorney's employment in the office does not create an attorney-client relationship between the office or the office's attorneys and any of the following:

(a) a lot owner;

(b) a unit owner;

(c) an association of lot owners; or

(d) an association of unit owners.

Section 2. Section **13-79-104** is amended to read:

13-79-104 . Advisory opinion -- Process of advisory opinions.

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

(a) from the office to determine compliance with:

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

(ii) other applicable statutes of this state; and

(b) at any time before the commencement of:

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

(ii) binding arbitration.

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

(i) file the request with the office;

(ii) pay a nonrefundable filing fee of \$150;~~[-and]~~

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

(B) include in the request facts that demonstrate that the person submits the request no later than a year after the day on which the person making the

- request knew or should have known about the alleged act that is the subject of the advisory opinion[-] ; and
- (iv) in the request for an advisory opinion, describe:
- (A) the alleged act that is the subject of the advisory opinion; and
- (B) the impact of the alleged act that is the subject of the advisory opinion on the person making the request.
- (b) A person making a request under this Subsection (2) may allege actual damages as a result of the alleged act that is the subject of the advisory opinion.
- (3) The office may establish policies providing for partial fee waivers for a person who is financially unable to pay the entire fee described in Subsection (2)(a)(ii).
- (4)(a) [The] Except as provided in Subsection (4)(b), the office may not issue an advisory opinion unless the person requesting an advisory opinion exhausts all existing dispute resolution procedures provided in:
- (i) the governing documents of an association of lot owners, if the dispute involves a lot owner; or
- (ii) the governing documents of an association of unit owners, if the dispute involves a unit owner.
- (b) An association of unit owners or an association of lot owners may not require that a person engage in binding arbitration before requesting an advisory opinion from the office.
- ~~[(b)]~~ (c) A person requesting an advisory opinion shall include in the person's complaint a description of how that person ~~[exhausted all existing procedures provided in the applicable governing documents]~~ complied with this Subsection (4).
- (5) Upon receipt of a request for an advisory opinion, the office shall:
- (a) inquire of all parties if there are other necessary parties to the dispute;
- (b) determine whether the person bringing the request has ~~[exhausted all existing procedures provided in the applicable governing documents]~~ complied with Subsections (1) through (4); and
- (c) deliver notice of the request to the opposing parties indicated in the request and any other necessary party identified in accordance with Subsection (5)(a).
- (6) Subject to Subsection (7), after analyzing a complaint, the office shall:
- (a) issue a written advisory opinion addressing the issues described in the request for an advisory opinion;
- (b) include in the advisory opinion a statement of the facts and law supporting the

167 opinion's conclusions; and

168 (c) deliver copies of the advisory opinion to all necessary parties identified in
169 accordance with Subsection (5)(a).

170 (7)(a) The office shall issue a written statement declining to issue an advisory opinion
171 when, in the opinion of the office:

172 (i) the issues are not ripe for review;

173 (ii) the person bringing the request has not exhausted all existing procedures provided
174 in the applicable governing documents; or

175 (iii) the issues raised are beyond the scope of the office's statutory duty to review.

176 (b) Notwithstanding Subsection (7)(a), the office shall issue a written statement
177 declining to review a request, if the request deals solely with a contractual dispute.

178 (8)(a)(i) If in the process of issuing an advisory opinion, the office determines that a
179 person knowingly filed a false or fraudulent request for an advisory opinion, the
180 office shall prohibit that person from filing a complaint with the office for two
181 years after the day on which the office makes the determination.

182 (ii) The office may impose a civil penalty of up to \$1,000 against a person if the
183 office determines under this Subsection (8)(a) that the person filed a false or
184 fraudulent request for an advisory opinion.

185 (b)(i) The office may designate a person as a vexatious filer if the person has filed a
186 request for three or more advisory opinions and for each request the office:

187 (A) determines that the person requesting the advisory opinion has not exhausted
188 all existing procedures, as described in Subsection (4)(a);

189 (B) declines to issue an advisory opinion, as described in Subsection (7)(a); or

190 (C) determines that the request deals solely with a contractual dispute, as
191 described in Subsection (7)(b).

192 (ii) If the office designates a person as a vexatious filer under this Subsection (8)(b),
193 the office may not accept a request by the person unless:

194 (A) the person submits a written copy of the request to the executive director of
195 the department; and

196 (B) the executive director of the department authorizes the person to file the
197 request for the advisory opinion with the office.

198 ~~[(9) The party that requests the advisory opinion shall pay the filing fee described in~~
199 ~~Subsection (2)(a)(ii), unless the office issues an advisory opinion in favor of the party~~
200 ~~that requests the advisory opinion, in which case all necessary parties shall share the cost~~

of the filing fee equally.]

~~[(10)]~~ (9) An advisory opinion issued under this section is neither binding on any party to, nor admissible as evidence in, a dispute involving an association of lot owners or an association of unit owners, except as provided in Subsection ~~[(11)]~~ (10).

~~[(11)]~~ (10)(a) As used in this Subsection ~~[(11)]~~ (10), "qualifying conditions" means:

- (i) the office issues an advisory opinion described in this section;
- (ii) the same issue that is the subject of the advisory opinion is subsequently litigated in court; and
- (iii) the court rules in favor of the same party as the advisory opinion in a final judgment.

(b) If the qualifying conditions are met, the court may award the substantially prevailing party:

- (i) reasonable attorney fees and court costs relating to the development of the cause of action from the date the office delivers the advisory opinion to the date of the court's resolution; and
- (ii) if the court finds that the opposing party knowingly and intentionally violated the law governing the cause of action, a civil penalty of ~~[\$250 for each day described in Subsection (12).]~~ \$5,000.

~~[(12) The civil penalty described in Subsection (11)(b):]~~

~~[(a) begins to accrue on the later of:]~~

- ~~[(i) 30 days after the day on which the office delivers the advisory opinion; or]~~
- ~~[(ii) the day on which the substantially prevailing party or opposing party filed the action in court; and]~~

~~[(b) ends the day on which the court enters a final judgment.]~~

Section 3. Section **57-1-46** is amended to read:

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

(1) As used in this section:

(a) "Administrative setup fee" means a fee, charge, or payment that:

- (i) is related to the sale of real property; and
- (ii) as a result of a transfer of the real property, is imposed on a buyer or seller by:
 - (A) a common interest association; or
 - (B) a person acting on behalf of a common interest association.

~~[(a)]~~ (b) "Association expenses" means expenses incurred by a common interest association for:

- (i) the purchase, ownership, leasing, construction, operation, use, administration, maintenance, improvement, repair, or replacement of association facilities, including expenses for taxes, insurance, operating reserves, capital reserves, and emergency funds;
- (ii) providing, establishing, creating, or managing a facility, activity, service, or program for the benefit of property owners, tenants, common areas, the burdened property, or property governed by the common interest association; or
- (iii) other facilities, activities, services, or programs that are required or permitted under the common interest association's organizational documents.
- ~~[(b)]~~ (c) "Association facilities" means any real property, improvements on real property, or personal property owned, leased, constructed, developed, managed, or used by a common interest association, including common areas.
- ~~[(e) "Association transfer fee" means a fee, charge, or payment that is:]~~
- ~~[(i) related to the sale of real property; and]~~
- ~~[(ii) as a result of a transfer of the real property, is imposed on a buyer or seller by:]~~
- ~~[(A) a common interest association; or]~~
- ~~[(B) a person acting on behalf of the common interest association.]~~
- (d) "Burdened property" means the real property that is subject to a reinvestment fee covenant or transfer fee covenant.
- (e) "Common areas" means areas described within:
- (i) the definition of "common areas and facilities" under Section 57-8-3; and
- (ii) the definition of "common areas" under Section 57-8a-102.
- (f)(i) "Common interest association" means:
- (A) an association, as defined in Section 57-8a-102;
- (B) an association of unit owners, as defined in Section 57-8-3; or
- (C) a nonprofit association.
- (ii) "Common interest association" includes a person authorized by an association, association of unit owners, or nonprofit association.
- (g) "Large master planned development" means an approved development:
- (i) of at least 500 acres or 500 units; and
- (ii) that includes a commitment to fund, construct, develop, or maintain:
- (A) common infrastructure;
- (B) association facilities;
- (C) community programming;

- 269 (D) resort facilities;
270 (E) open space; or
271 (F) recreation amenities.
- 272 (h) "Nonprofit association" means a nonprofit corporation organized under Title 16,
273 Chapter 6a, Utah Revised Nonprofit Corporation Act, to benefit, enhance, preserve,
274 govern, manage, or maintain burdened property.
- 275 (i) "Organizational documents" means:
- 276 (i) for an association, as that term is defined in Section 57-8a-102, governing
277 documents as that term is defined in Section 57-8a-102;
- 278 (ii) for an association of unit owners, as that term is defined in Section 57-8-3, a
279 declaration as that term is defined in Section 57-8-3; and
- 280 (iii) for a nonprofit association:
- 281 (A) a written instrument by which the nonprofit association exercises powers or
282 manages, maintains, or otherwise affects the property under the jurisdiction of
283 the nonprofit association; and
- 284 (B) articles of incorporation, bylaws, plats, charters, the nonprofit association's
285 rules, and declarations of covenants, conditions, and restrictions.
- 286 (j) "Reinvestment fee" means a fee imposed, directly or indirectly, by a common interest
287 association:
- 288 (i) upon a buyer or seller of real property;
- 289 (ii) upon and as a result of a transfer of the real property; and
- 290 (iii) that is dedicated to benefiting the common areas, including payment for:
- 291 (A) common planning, facilities, and infrastructure;
- 292 (B) obligations arising from an environmental covenant;
- 293 (C) community programming;
- 294 (D) resort facilities;
- 295 (E) open space;
- 296 (F) recreation amenities;
- 297 (G) charitable purposes; or
- 298 (H) association expenses.
- 299 (k) "Reinvestment fee covenant" means a covenant, restriction, or agreement that:
- 300 (i) affects real property; and
- 301 (ii) obligates a future buyer or seller of the real property to pay to a common interest
302 association, upon and as a result of a transfer of the real property, a fee that is

- 303 dedicated to benefitting the burdened property, including payment for:
- 304 (A) common planning, facilities, and infrastructure;
- 305 (B) obligations arising from an environmental covenant;
- 306 (C) community programming;
- 307 (D) resort facilities;
- 308 (E) open space;
- 309 (F) recreation amenities;
- 310 (G) charitable purposes; or
- 311 (H) association expenses.
- 312 (l) "Transfer fee covenant":
- 313 (i) means an obligation, however denominated, expressed in a covenant, restriction,
- 314 agreement, or other instrument or document:
- 315 (A) that affects real property;
- 316 (B) that is imposed on a future buyer or seller of real property, other than a person
- 317 who is a party to the covenant, restriction, agreement, or other instrument or
- 318 document; and
- 319 (C) to pay a fee upon and as a result of a transfer of the real property; and
- 320 (ii) does not include:
- 321 (A) an obligation imposed by a court judgment, order, or decree;
- 322 (B) an obligation imposed by the federal government or a state or local
- 323 government entity; or
- 324 (C) a reinvestment fee covenant.
- 325 (2) A transfer fee covenant recorded on or after March 16, 2010, is void and unenforceable.
- 326 (3)(a) Except as provided in Subsection (3)(b), a reinvestment fee covenant may not be
- 327 sold, assigned, or conveyed unless the sale, assignment, or conveyance is to a
- 328 common interest association that was formed to benefit the burdened property.
- 329 (b) A common interest association may assign or pledge to a lender the right to receive
- 330 payment under a reinvestment fee covenant if:
- 331 (i) the assignment or pledge is as collateral for a credit facility; and
- 332 (ii) the lender releases the collateral interest upon payment in full of all amounts that
- 333 the common interest association owes to the lender under the credit facility.
- 334 (4) A reinvestment fee covenant recorded on or after March 16, 2010, is not enforceable if
- 335 the reinvestment fee covenant is intended to affect property that is the subject of a
- 336 previously recorded transfer fee covenant or reinvestment fee covenant.

(5) A reinvestment fee covenant recorded on or after March 16, 2010, may not obligate the payment of a fee that exceeds .5% of the value of the burdened property, unless the burdened property is part of a large master planned development.

(6)(a) A reinvestment fee covenant recorded on or after March 16, 2010, is void and unenforceable unless a notice of reinvestment fee covenant, separate from the reinvestment fee covenant, is recorded in the office of the recorder of each county in which any of the burdened property is located.

(b) A notice under Subsection (6)(a) shall:

- (i) state the name and address of the common interest association to which the fee under the reinvestment fee covenant is required to be paid;
- (ii) include the notarized signature of the common interest association's authorized representative;
- (iii) state that the burden of the reinvestment fee covenant is intended to run with the land and to bind successors in interest and assigns;
- (iv) state that the existence of the reinvestment fee covenant precludes the imposition of an additional reinvestment fee covenant on the burdened property;
- (v) state the duration of the reinvestment fee covenant;
- (vi) state the purpose of the fee required to be paid under the reinvestment fee covenant; and
- (vii) state that the fee required to be paid under the reinvestment fee covenant is required to benefit the burdened property.

(c) A recorded notice of reinvestment fee covenant that substantially complies with the requirements of Subsection (6)(b) is valid and effective.

(7)(a) A reinvestment fee covenant or transfer fee covenant recorded before March 16, 2010, is not enforceable after May 31, 2010, unless:

- (i) a notice that is consistent with the notice described in Subsection (6) is recorded in the office of the recorder of each county in which any of the burdened property is located; or
- (ii) a notice of reinvestment fee covenant or transfer fee covenant, as described in Subsection (7)(b), is recorded in the office of the recorder of each county in which any of the burdened property is located.

(b) A notice under Subsection (7)(a)(ii) shall:

- (i) include the notarized signature of the beneficiary of the reinvestment fee covenant or transfer fee covenant, or the beneficiary's authorized representative;

- 371 (ii) state the name and current address of the beneficiary under the reinvestment fee
372 covenant or transfer fee covenant;
- 373 (iii) state that the burden of the reinvestment fee covenant or transfer fee covenant is
374 intended to run with the land and to bind successors in interest and assigns; and
375 (iv) state the duration of the reinvestment fee covenant or transfer fee covenant.
- 376 (c) A recorded notice of reinvestment fee covenant or transfer fee covenant that
377 substantially complies with the requirements of Subsection (7)(b) is valid and
378 effective.
- 379 (d) A notice under Subsection (7)(b):
380 (i) that is recorded after May 31, 2010, is not enforceable; and
381 (ii) shall comply with the requirements of Section 57-1-47.
- 382 (e) An amendment to a notice under Subsection (7)(b) recorded after May 31, 2010,
383 seeking to amend a notice under Subsection (7)(b) recorded before May 31, 2010, is
384 not an enforceable amendment.
- 385 (8) A reinvestment fee covenant recorded on or after March 16, 2010, may not be enforced
386 upon:
- 387 (a) an involuntary transfer;
388 (b) a transfer that results from a court order;
389 (c) a bona fide transfer to a family member of the seller within three degrees of
390 consanguinity who, before the transfer, provides adequate proof of consanguinity;
391 (d) a transfer or change of interest due to death, whether provided in a will, trust, or
392 decree of distribution; or
393 (e) the transfer of burdened property by a financial institution, except to the extent that
394 the reinvestment fee covenant requires the payment of a common interest
395 association's costs directly related to the transfer of the burdened property, not to
396 exceed \$250.
- 397 (9)(a) An ~~[association transfer fee]~~ administrative setup fee imposed on or after May 7,
398 2025, is void and unenforceable unless the association uses the fee only to pay
399 expenses related to the transfer.
- 400 (b) An administrative setup fee imposed in accordance with this Subsection (9) may not
401 exceed \$200.
- 402 (10) On or after May 7, 2025, an association may not impose a reinvestment fee unless:
403 (a) imposing the reinvestment fee is authorized in the declaration or a reinvestment fee
404 covenant; and

(b) a majority of voting interests in the association, or a higher percentage if required in the organizational documents, approves the reinvestment fee.

(11) After a vote approving the reinvestment fee described in Subsection (10)(b), an association may set the amount of a reinvestment fee only:

(a) in accordance with the terms of the declaration or a reinvestment fee covenant; and
(b) upon providing notice in accordance with Section 57-8a-214.

(12) Members of the association may remove or amend a reinvestment fee by holding a vote at a special meeting:

(a) called by the members for the purpose of removing or amending the reinvestment fee; and

(b) at which:

(i) at least 51% of the voting interests attend and vote; and

(ii) a majority of the voting interests that attend vote to remove or amend the reinvestment fee.

Section 4. Section **57-8-2** is amended to read:

57-8-2 . Applicability of chapter.

~~[This act shall be applicable only to property which the sole owner or all the owners submit to the provisions of the act by duly executing and recording a declaration as provided in the act.]~~

(1) This chapter applies to an association if:

(a) the association's declaration states that this chapter applies;

(b) the association amends the association's declaration to state that this chapter applies in accordance with Section 57-8-10.5; or

(c) the management committee adopts a resolution stating that this chapter applies.

(2) This section applies regardless of when an association is created.

Section 5. Section **57-8-3** is amended to read:

57-8-3 . Definitions.

As used in this chapter:

(1) "Assessment" means any charge ~~[imposed by]~~ that the association imposes, including:

(a) common expenses on or against a unit owner ~~[pursuant to]~~ in accordance with the provisions of the declaration, bylaws, or this chapter; and

(b) an amount that an association of unit owners assesses to a unit owner under Subsection 57-8-43(9)(g).

(2) "Association of unit owners" or "association" means all of the unit owners:

- 439 (a) acting as a group in accordance with the declaration and bylaws; or
440 (b) organized as a legal entity in accordance with the declaration.
- 441 (3) "Building" means a building, containing units, and comprising a part of the property.
- 442 (4) "Commercial condominium project" means a condominium project that has no
443 residential units within the project.
- 444 (5) "Common areas and facilities" unless otherwise provided in the declaration or lawful
445 amendments to the declaration means:
- 446 (a) the land included within the condominium project, whether leasehold or in fee
447 simple;
- 448 (b) the foundations, columns, girders, beams, supports, main walls, roofs, halls,
449 corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the building;
- 450 (c) the basements, yards, gardens, parking areas, and storage spaces;
- 451 (d) the premises for lodging of janitors or persons in charge of the property;
- 452 (e) installations of central services such as power, light, gas, hot and cold water, heating,
453 refrigeration, air conditioning, and incinerating;
- 454 (f) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all
455 apparatus and installations existing for common use;
- 456 (g) such community and commercial facilities as may be provided for in the declaration;
457 and
- 458 (h) all other parts of the property necessary or convenient to its existence, maintenance,
459 and safety, or normally in common use.
- 460 (6) "Common expenses" means:
- 461 (a) all sums lawfully assessed against the unit owners;
- 462 (b) expenses of administration, maintenance, repair, or replacement of the common areas
463 and facilities;
- 464 (c) expenses agreed upon as common expenses by the association of unit owners; and
- 465 (d) expenses declared common expenses by this chapter, or by the declaration or the
466 bylaws.
- 467 (7) "Common profits," unless otherwise provided in the declaration or lawful amendments
468 to the declaration, means the balance of all income, rents, profits, and revenues from the
469 common areas and facilities remaining after the deduction of the common expenses.
- 470 (8) "Condominium" means the ownership of a single unit in a multiunit project together
471 with an undivided interest in common in the common areas and facilities of the property.
- 472 (9) "Condominium plat" means a plat or plats of survey of land and units prepared in

accordance with Section 57-8-13.

(10)(a) "Condominium project" means a real estate condominium project; a plan or project whereby two or more units, whether contained in existing or proposed apartments, commercial or industrial buildings or structures, or otherwise, are separately offered or proposed to be offered for sale.

(b) ~~[-] "Condominium project"~~~~[-also means-]~~ includes the property when the context so requires.

(11)(a) "Condominium unit" means a unit together with the undivided interest in the common areas and facilities appertaining to that unit.

(b) ~~[-Any reference in this chapter to a condominium unit]~~ "Condominium unit" includes both a physical unit together with ~~[its]~~ the physical unit's appurtenant undivided interest in the common areas and facilities and a time period unit together with ~~[its]~~ the time period unit's appurtenant undivided interest, unless the ~~[reference]~~ term is specifically limited to a time period unit.

(12)(a) "Contractible condominium" means a condominium project from which one or more portions of the land within the project may be withdrawn in accordance with provisions of the declaration and of this chapter.

(b) ~~[-If]~~ "Contractible condominium" does not include a condominium project where the withdrawal described in Subsection (12)(a) can occur only by the expiration or termination of one or more leases~~[-then the condominium project is not a contractible condominium within the meaning of this chapter.]~~ .

(13) "Convertible land" means a building site which is a portion of the common areas and facilities, described by metes and bounds, within which additional units or limited common areas and facilities may be created in accordance with this chapter.

(14) "Convertible space" means a portion of the structure within the condominium project, which portion may be converted into one or more units or common areas and facilities, including limited common areas and facilities in accordance with this chapter.

(15)(a) "Declarant" means all persons who execute the declaration or on whose behalf the declaration is executed.~~[-From the time of the recordation of any amendment to the declaration expanding an expandable condominium, all persons who execute that amendment or on whose behalf that amendment is executed shall also come within this definition].~~

(b) ~~[-Any successors of the persons referred to in this subsection who come]~~ "Declarant" includes:

- (i) a person that executes an amendment to the declaration expanding an expandable condominium;
- (ii) a person on whose behalf a person executes an amendment described in Subsection (15)(b)(i); and
- (iii) a successor of a person described in Subsection (15)(a) that comes to stand in the same relation to the condominium project as [their predecessors also come within this definition] the person's predecessor.
- (16) "Declaration" means the instrument by which the property is submitted to the provisions of this ~~[aet]~~ chapter, as ~~[it]~~ the declaration from time to time may be lawfully amended.
- (17) "Electrical corporation" means the same as that term is defined in Section 54-2-1.
- (18) "Expandable condominium" means a condominium project to which additional land or an interest in ~~[it]~~ the condominium project may be added in accordance with the declaration and this chapter.
- (19) "Gas corporation" means the same as that term is defined in Section 54-2-1.
- (20) "Governing documents":
- (a) means a written instrument by which an association of unit owners may:
- (i) exercise powers; or
- (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the association of unit owners; and
- (b) includes:
- (i) articles of incorporation;
- (ii) bylaws;
- (iii) a plat;
- (iv) a declaration of covenants, conditions, and restrictions; and
- (v) rules of the association of unit owners.
- (21) "Independent third party" means a person that:
- (a) is not related to the unit owner;
- (b) shares no pecuniary interests with the unit owner; and
- (c) purchases the unit in good faith and without the intent to defraud a current or future lienholder.
- (22) "Judicial foreclosure" means a foreclosure of a unit:
- (a) for the nonpayment of an assessment;
- (b) in the manner provided by law for the foreclosure of a mortgage on real property; and

(c) as provided in this chapter.

(23)(a) "Leasehold condominium" means a condominium project in all or any portion of which each unit owner owns an estate for years in ~~[his]~~ the unit owner's unit, or in the land upon which that unit is situated, or both, with all those leasehold interests to expire naturally at the same time.

(b) ~~[-]~~ "Leasehold condominium" does not include [A] a condominium project including leased land, or an interest in the land, upon which no units are situated or to be situated~~[is not a leasehold condominium within the meaning of this chapter].~~

(24) "Limited common areas and facilities" means ~~[those]~~ the common areas and facilities designated in the declaration as reserved for use of a certain unit or units to the exclusion of the other units.

(25) "Majority" or "majority of the unit owners," unless otherwise provided in the declaration or lawful amendments to the declaration, means the owners of more than 50% in the aggregate in interest of the undivided ownership of the common areas and facilities.

(26) "Management committee" means the committee as provided in the declaration charged with and having the responsibility and authority to make and to enforce all of the reasonable rules covering the operation and maintenance of the property.

(27) "Management committee meeting" means a gathering of a management committee, whether in person or by means of electronic communication, at which the management committee can take binding action.

(28)(a) "Means of electronic communication" means an electronic system that allows individuals to communicate orally in real time.

(b) "Means of electronic communication" includes:

(i) web conferencing;

(ii) video conferencing; and

(iii) telephone conferencing.

(29) "Mixed-use condominium project" means a condominium project that has both residential and commercial units in the condominium project.

(30) "Nonjudicial foreclosure" means the sale of a unit:

(a) for the nonpayment of an assessment;

(b) in the same manner as the sale of trust property under Sections 57-1-19 through 57-1-34; and

(c) as provided in this chapter.

(31) "Par value" means a number of dollars or points assigned to each unit by the declaration~~[-]~~ in accordance with the following:

(a) ~~[-Substantially]~~ the declaration shall assign substantially identical units ~~[shall be assigned]~~ the same par value~~[-]~~ ;

(b) ~~[-but]~~ units located at substantially different heights above the ground, or having substantially different views, or having substantially different amenities or other characteristics that might result in differences in market value, may be considered substantially identical ~~[within the meaning of this subsection]~~ for purposes of Subsection (31)(a):

(c) ~~[-If]~~ if the declaration states par value ~~[is stated]~~ in terms of dollars~~[-that statement]~~ :

(i) the dollar amount may not be considered to reflect or control the sales price or fair market value of ~~[any]~~ a unit~~[-]~~ ; and

(ii) ~~[-no]~~ an opinion, an appraisal, or a fair market transaction at a different figure may not affect:

(A) ~~[-]~~ the par value of ~~[any]~~ a unit~~[-]~~ ; or

(B) ~~[-any]~~ an undivided interest in the common areas and facilities, voting rights in the unit owners' association, liability for common expenses, or right to common profits, [assigned] that the declaration assigns on the basis [thereof] of the par value.

(32) "Period of administrative control" means the period of control described in Subsection 57-8-16.5(1).

(33) "Person" means an individual, corporation, partnership, association, trustee, or other legal entity.

(34) "Political sign" means ~~[any]~~ a sign or document that advocates for:

(a) the election or defeat of a candidate for public office; or

(b) the approval or defeat of a ballot proposition.

(35) "Property" means:

(a) ~~[-]~~ the land, whether leasehold or in fee simple~~[-]~~ ;

(b) ~~[-]~~ the building, if any~~[-]~~ ;

(c) ~~[-]~~ all improvements and structures ~~[thereon,]~~ on the land;

(d) ~~[-]~~ all easements, rights, and appurtenances belonging ~~[thereto,]~~ to the land; and

(e) ~~[-]~~ all articles of personal property intended for use in connection ~~[therewith]~~ with the land.

(36) "Protected area" means the same as that term is defined in Section 53-29-306.

(37) "Record," "recording," "recorded," and "recorder" ~~[have the meaning stated]~~ mean the same as the terms are defined in Chapter 3, Recording of Documents.

(38) "Rentals" or "rental unit" means:

(a) a unit that:

(i) is not owned by an entity or trust; and

(ii) ~~[is occupied by]~~ an individual occupies while the unit owner is not occupying the unit as the unit owner's primary residence; or

(b) an occupied unit ~~[owned by]~~ that an entity or trust owns, regardless of who occupies the unit.

(39) "Rule" means a policy, guideline, restriction, procedure, or regulation of an association that:

(a) is not set forth in a contract, easement, article of incorporation, bylaw, or declaration;
and

(b) governs:

(i) the conduct of persons; or

(ii) the use, quality, type, design, or appearance of real property or personal property.

~~[(39)]~~ (40)(a) "Size" means the number of cubic feet, or the number of square feet of ground or floor space, within ~~[each]~~ a unit as computed by reference to the record of survey map and rounded off to a whole number.

(b) ~~[-Certain spaces-]~~ "Size" does not include the following within ~~[the units]~~ a unit, if when making the calculation described in Subsection (40)(a), the following are omitted or partially discounted by the use of a ratio, the same basis of calculation is employed for all units in the condominium project, and that basis is described in the declaration:~~[including attic, basement, or garage space may be omitted from the calculation or be partially discounted by the use of a ratio, if the same basis of calculation is employed for all units in the condominium project and if that basis is described in the declaration].~~

(i) an attic;

(ii) a basement; or

(iii) a garage space.

~~[(40)]~~ (41) "Time period unit" means an annually recurring part or parts of a year specified in the declaration as a period for which a unit is separately owned and includes a timeshare estate as that term is defined in Section 57-19-2.

~~[(41)]~~ (42) "Unconstructed unit" means a unit that:

(a) is intended, as depicted in the condominium plat, to be fully or partially contained in a building; and

(b) is not constructed.

~~[(42)]~~ (43)(a) "Unit" means a separate part of the property intended for any type of independent use, which is created by the recording of a declaration and a condominium plat that describes the unit boundaries.

(b) "Unit" includes:

(i) one or more rooms or spaces located in one or more floors or a portion of a floor in a building[-] ; and

~~[(c)]~~ (ii) ~~["Unit" includes]~~ a convertible space, in accordance with Subsection 57-8-13.4(3).

~~[(43)]~~ (44) "Unit number" means the number, letter, or combination of numbers and letters designating the unit in the declaration and in the record of survey map.

~~[(44)]~~ (45) "Unit owner" means the person or persons owning a unit in fee simple and an undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established in the declaration or, in the case of a leasehold condominium project, the person or persons whose leasehold interest or interests in the condominium unit extend for the entire balance of the unexpired term or terms.

~~[(45)]~~ (46) "Water wise landscaping" means:

(a) installation of plant materials, suited to the microclimate and soil conditions, that can:

(i) remain healthy with minimal irrigation once established; or

(ii) be maintained without the use of overhead spray irrigation;

(b) use of water for outdoor irrigation through proper and efficient irrigation design and water application; or

(c) use of other landscape design features that:

(i) minimize the landscape's need for supplemental water from irrigation;

(ii) reduce the landscape area dedicated to lawn or turf; or

(iii) encourage vegetative coverage.

~~[(46)]~~ (47) "Water wise plant material" means a plant material suited to water wise landscaping.

Section 6. Section **57-8-6.1** is amended to read:

57-8-6.1 . Information required before sale to independent third party.

(1) Before the sale of ~~[any]~~ a unit under the jurisdiction of an association of unit owners to an independent third party, the grantor shall provide to the independent third party:

- (a) a copy of the association of unit owners' recorded governing documents; and
(b) a link or other access point to the ~~[department's]~~ educational materials described in Subsection ~~[57-8-13.1(6)]~~ 13-79-103(4).

- (2) The grantor shall provide the information described in Subsection (1) before closing.
(3) The association of unit owners shall, upon request by the grantor, provide to the grantor the information described in Subsection (1).
(4) This section applies to each association of unit owners, regardless of when the association of unit owners is formed.

Section 7. Section **57-8-7.6** is enacted to read:

57-8-7.6 . Budget.

- (1) At least once annually a management committee shall prepare and adopt a budget for the association.
(2) The management committee shall present the adopted budget to association members at a meeting of the members.
(3) A budget is disapproved if within 45 days after the date of the meeting under Subsection (2) at which the management committee presents the adopted budget:
(a) at least 51% of all the allocated voting interests of the unit owners in the association vote to disapprove the adopted budget; and
(b) the vote is taken at a special meeting called by unit owners under the declaration, articles, or bylaws to disapprove the budget.
(4) If a budget is disapproved under Subsection (3), the budget that the management committee last adopted that the members did not disapprove continues as the budget until and unless:
(a) the management committee presents another budget to the members; and
(b) the budget the management committee presents under Subsection (4)(a) is not disapproved in accordance with Subsection (3).
(5) During the period of administrative control, association members may not disapprove a budget.

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

57-8-10 . Contents of declaration.

- (1)(a) Before the conveyance of ~~[any]~~ a unit in a condominium project, a declaration shall be recorded that contains the covenants, conditions, and restrictions relating to the project that shall be enforceable equitable servitudes, where reasonable, and which shall run with the land.

(b) ~~[-]Unless otherwise provided, [these servitudes may be enforced by a unit owner or a unit owner's successor in interest.] a unit owner or a unit owner's successor in interest may enforce a servitude described in Subsection (1)(a).~~

(2)(a) For every condominium project, the declaration shall:

- (i) include a description of the land or interests in real property included within the project;
- (ii) contain a description of any buildings that states the number of storeys and basements, the number of units, the principal materials of which the building is or is to be constructed, and a description of all other significant improvements contained or to be contained in the project;
- (iii) contain the unit number of each unit, the square footage of each unit, and any other description or information necessary to properly identify each unit;
- (iv) describe the common areas and facilities of the project;~~[-and]~~
- (v) describe any limited common areas and facilities and state to which units the use of the common areas and facilities is reserved~~[-]~~ ; and
- (vi) include a statement that the project is:
 - (A) designated as a condominium project; and
 - (B) governed by this chapter.

(b) Any shutters, awnings, window boxes, doorsteps, porches, balconies, patios, or other apparatus intended to serve a single unit, but located outside the boundaries of the unit, shall constitute a limited common area and facility appertaining to that unit exclusively, regardless of whether ~~[or not]~~ the declaration makes such a provision.

(c) The condominium plat recorded with the declaration may provide or supplement the information required under Subsections (2)(a) and (b).

(d)(i) The declaration shall include the percentage or fraction of undivided interest in the common areas and facilities appurtenant to each unit and the unit owner for all purposes, including voting, derived and allocated in accordance with Subsection 57-8-7(2).

(ii) If any use restrictions are to apply, the declaration shall state the purposes for which the units are intended and the use restrictions that apply.

(iii)(A) The declaration shall include the name and address of a person to receive service of process on behalf of the condominium project, in the cases provided by this chapter.

(B) The person described in Subsection (2)(d)(iii)(A) shall be a resident of, or

- 745 shall maintain a place of business within, this state.
- 746 (iv) The declaration shall describe the method by which the declaration may be
747 amended consistent with this chapter.
- 748 (v) Any further matters in connection with the property may be included in the
749 declaration, which the person or persons executing the declaration may consider
750 desirable, consistent with this chapter.
- 751 ~~[(vi) The declaration shall contain a statement of intention that this chapter applies to~~
752 ~~the property.]~~
- 753 (e) The initial recorded declaration shall include:
- 754 (i) an appointment of a trustee who qualifies under Subsection 57-1-21(1)(a)(i) or (iv);
755 and
- 756 (ii) the following statement: "The declarant hereby conveys and warrants pursuant to
757 U.C.A. Sections 57-1-20 and 57-8-45 to (name of trustee), with power of sale, the
758 unit and all improvements to the unit for the purpose of securing payment of
759 assessments under the terms of the declaration."
- 760 (3)(a) If the condominium project contains any convertible land, the declaration shall:
- 761 (i) contain a legal description by metes and bounds of each area of convertible land
762 within the condominium project;
- 763 (ii) state the maximum number of units that may be created within each area of
764 convertible land;
- 765 (iii) state, with respect to each area of convertible land, the maximum percentage of
766 the aggregate land and floor area of all units that may be created and the use of
767 which will not or may not be restricted exclusively to residential purposes, unless
768 none of the units on other portions of the land within the project are restricted
769 exclusively to residential use;
- 770 (iv) state the extent to which any structure erected on any convertible land will be
771 compatible with structures on other portions of the land within the condominium
772 project in terms of quality of construction, the principal materials to be used, and
773 architectural style;
- 774 (v) describe all other improvements that may be made on each area of convertible
775 land within the condominium project;
- 776 (vi) state that any units created within each area of convertible land will be
777 substantially identical to the units on other portions of the land within the project
778 or describe in detail what other type of units may be created; and

(vii) describe the declarant's reserved right, if any, to create limited common areas and facilities within any convertible land in terms of the types, sizes, and maximum number of the limited common areas within each convertible land.

(b) The condominium plat recorded with the declaration may provide or supplement the information required under Subsection (3)(a).

(4)(a) If the condominium project is an expandable condominium project, the declaration shall:

(i) contain an explicit reservation of an option to expand the project;

(ii) include a statement of any limitations on the option to expand, including a statement as to whether the consent of any unit owners is required and, a statement as to the method by which consent shall be ascertained, or a statement that there are no such limitations;

(iii) include a time limit, not exceeding seven years after the day on which the declaration is recorded, upon which the option to expand the condominium project expires and a statement of any circumstances that will terminate the option before expiration of the specified time limits;

(iv) contain a legal description by metes and bounds of all land that may be added to the condominium project, which is known as additional land;

(v) state:

(A) if any of the additional land is added to the condominium project, whether all of it or any particular portion of it must be added;

(B) any limitations as to what portions may be added; or

(C) a statement that there are no such limitations;

(vi) include a statement as to whether portions of the additional land may be added to the condominium project at different times, including any limitations fixing the boundaries of those portions by legal descriptions setting forth the metes and bounds of these lands and regulating the order in which ~~they~~ the lands may be added to the condominium project;

(vii) include a statement of any limitations on the locations of any improvements that may be made on any portions of the additional land added to the condominium project, or a statement that no assurances are made in that regard;

(viii)(A) state the maximum number of units that may be created on the additional land;

(B) if portions of the additional land may be added to the condominium project

- 813 and the boundaries of those portions are fixed in accordance with Subsection
814 (4)(a)(vi), state the maximum number of units that may be created on each
815 portion added to the condominium project; and
- 816 (C) if portions of the additional land may be added to the condominium project
817 and the boundaries of those portions are not fixed in accordance with
818 Subsection (4)(a)(vi), state the maximum number of units per acre that may be
819 created on any portion added to the condominium project;
- 820 (ix) with respect to the additional land and to any portion of the additional land that
821 may be added to the condominium project, state the maximum percentage of the
822 aggregate land and floor area of all units that may be created on it, the use of
823 which will not or may not be restricted exclusively to residential purposes, unless
824 none of the units on the land originally within the project are restricted exclusively
825 to residential use;
- 826 (x) state the extent to which any structures erected on any portion of the additional
827 land added to the condominium project will be compatible with structures on the
828 land originally within the project in terms of quality of construction, the principal
829 materials to be used, and architectural style, or that no assurances are made in
830 those regards;
- 831 (xi) describe all other improvements that will be made on any portion of the
832 additional land added to the condominium project, including any limitations on
833 what other improvements may be made on the additional land, or state that no
834 assurances are made in that regard;
- 835 (xii) contain a statement that any units created on any portion of the additional land
836 added to the condominium project will be substantially identical to the units on
837 the land originally within the project, a statement of any limitations on what types
838 of units may be created on the additional land, or a statement that no assurances
839 are made in that regard; and
- 840 (xiii) describe the declarant's reserved right, if any, to create limited common areas
841 and facilities within any portion of the additional land added to the condominium
842 project, in terms of the types, sizes, and maximum number of limited common
843 areas within each portion, or state that no assurances are made in those regards.
- 844 (b) The condominium plat recorded with the declaration may provide or supplement the
845 information required under Subsections (4)(a)(iv) through (a)(vii) and (a)(x) through
846 (a)(xiii).

- 847 (5)(a) If the condominium project is a contractible condominium, the declaration shall:
- 848 (i) contain an explicit reservation of an option to contract the condominium project;
- 849 (ii) contain a statement of any limitations on the option to contract, including a
- 850 statement regarding whether the consent of any unit owners is required, and if so,
- 851 a statement regarding the method by which this consent shall be ascertained, or a
- 852 statement that there are no such limitations;
- 853 (iii) state the time limit, not exceeding seven years after the day on which the
- 854 declaration is recorded, upon which the option to contract the condominium
- 855 project expires, together with a statement of any circumstances that will terminate
- 856 the option before expiration of the specified time limit;
- 857 (iv) include a legal description by metes and bounds of all land that may be
- 858 withdrawn from the condominium project, which is known as withdrawable land;
- 859 (v) include a statement as to whether portions of the withdrawable land may be
- 860 withdrawn from the condominium project at different times, together with any
- 861 limitations fixing the boundaries of those portions by legal descriptions setting
- 862 forth the metes and bounds and regulating the order in which they may be
- 863 withdrawn from the condominium project; and
- 864 (vi) include a legal description by metes and bounds of all of the land within the
- 865 condominium project to which the option to contract the project does not extend.
- 866 (b) The condominium plat recorded with the declaration may provide or supplement the
- 867 information required under Subsections (5)(a)(iv) through (vi).
- 868 (6)(a) If the condominium project is a leasehold condominium, the declaration shall,
- 869 with respect to any ground lease or other leases the expiration or termination of
- 870 which will or may terminate or contract the condominium project:
- 871 (i) include recording information enabling the location of each lease in the official
- 872 records of the county recorder;
- 873 (ii) include the date upon which each lease is due to expire;
- 874 (iii) state whether any land or improvements will be owned by the unit owners in fee
- 875 simple;
- 876 (iv) if there is to be fee simple ownership of any land or improvement, as described in
- 877 Subsection (6)(a)(iii), include:
- 878 (A) a description of the land or improvements, including a legal description by
- 879 metes and bounds of the land; or
- 880 (B) a statement of ~~[any rights]~~ the right the unit owners have to remove ~~[these]~~ the

- 881 improvements described in Subsection (6)(a)(iv)(A) within a reasonable time
 882 after the expiration or termination of the lease or leases involved, or a
 883 statement that ~~[they shall have no such rights]~~ the unit owners do not have that
 884 right; and
- 885 (v) include a statement of the ~~[rights]~~ right the unit owners have to extend or renew
 886 any of the leases or to redeem or purchase any of the reversions, or a statement
 887 that ~~[they have no such rights]~~ the unit owners do not have that right.
- 888 (b) After the recording of the declaration, a lessor who executed the declaration, or the
 889 lessor's successor in interest, may not terminate any part of the leasehold interest of [
 890 ~~any~~] a unit owner who:
- 891 (i) makes timely payment of the unit owner's share of the rent to the persons
 892 designated in the declaration for the receipt of the rent; and
- 893 (ii) otherwise complies with all covenants which would entitle the lessor to terminate
 894 the lease if the covenants were violated.
- 895 (7)(a)(i) If the condominium project contains time period units, the declaration shall
 896 also contain the location of each condominium unit in the calendar year.
- 897 (ii) ~~[-This information]~~ The information described in Subsection (7)(a)(i) shall be set
 898 out in a fourth column of the exhibit or schedule referred to in Subsection
 899 57-8-7(2), if the exhibit or schedule accompanies the declaration.
- 900 (b) The declaration shall also put timeshare owners on notice that tax notices will be sent
 901 to the management committee, not each timeshare owner.
- 902 (c) The time period units created with respect to any given physical unit shall be such
 903 that the aggregate of the durations involved constitute a full calendar year.
- 904 (8)(a) The declaration, bylaws, and condominium plat shall be duly executed and
 905 acknowledged by all of the owners and any lessees of the land ~~[which]~~ that is ~~[made-]~~
 906 subject to this chapter.
- 907 (b) As used in Subsection (8)(a), "owners and lessees" does not include~~[-, in their~~
 908 ~~respective capacities,]~~ :
- 909 (i) ~~[-any]~~ a mortgagee~~[-]~~ ;
- 910 (ii) ~~[-any]~~ a trustee or beneficiary under a deed of trust~~[-]~~ ;
- 911 (iii) ~~[-]~~ any other lien holder~~[-]~~ ;
- 912 (iv) ~~[-any]~~ a person ~~[having]~~ that has an equitable interest under ~~[-any]~~ a contract for the
 913 sale or lease of a condominium unit~~[-]~~ ; or
- 914 (v) ~~[-any]~~ a lessee whose leasehold interest does not extend to any portion of the

915 common areas and facilities.

916 Section 9. Section **57-8-13.1** is amended to read:

917 **57-8-13.1 . Registration with Department of Commerce.**

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

920 (2) No later than 90 days after the recording of a declaration, an association of unit owners
921 shall register with the department in the manner ~~[established by]~~ that the department
922 establishes.

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

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

926 (b) the name, ~~[address,]~~ telephone number, and, if applicable, email address of the
927 president of the association of unit owners;

928 (c) the name, ~~[and address-]~~ telephone number, and, if applicable, email address of each
929 manager or management committee member;

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

935 (e) a registration fee ~~[set by]~~ that the department sets in accordance with Section
936 63J-1-504.

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

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

941 (5) An association of unit owners ~~[that has registered under]~~ that registers in accordance with
942 Subsection (2) shall submit to the department an update to the association of unit
943 owners' registration information, in the manner ~~[established by-]~~ that the department
944 establishes, within 90 days after the day on which a change in any of the information
945 provided under Subsection (3) occurs.

946 (6)(a) During any period of noncompliance with the registration requirement described
947 in Subsection (2) or the requirement for an updated registration described in
948 Subsection (5):

- 949 (i) a lien may not arise under Section 57-8-44; and
- 950 (ii) an association of unit owners may not enforce an existing lien that arose under
- 951 Section 57-8-44.
- 952 (b) A period of noncompliance with the registration requirement of Subsection (2) or
- 953 with the updated registration requirement of Subsection (5) does not begin until after
- 954 the expiration of the 90-day period specified in Subsection (2) or (5), respectively.
- 955 (c) An association of unit owners that is not in compliance with the registration
- 956 requirement described in Subsection (2) may end the period of noncompliance by
- 957 registering with the department in the manner ~~[established by]~~ that the department
- 958 establishes under Subsection (2).
- 959 (d) An association of unit owners that is not in compliance with the updated registration
- 960 requirement described in Subsection (5) may end the period of noncompliance by
- 961 submitting to the department an updated registration in the manner ~~[established by]~~
- 962 that the department establishes under Subsection (5).
- 963 (e) Except as described in Subsection (6)(f), beginning on the date an association of unit
- 964 owners ends a period of noncompliance:
- 965 (i) a lien may arise under Section 57-8-44 for any event that:
- 966 (A) occurred during the period of noncompliance; and
- 967 (B) would have given rise to a lien under Section 57-8-44 had the association of
- 968 unit owners been in compliance with the registration requirements described in
- 969 this section; and
- 970 (ii) an association of unit owners may enforce a lien described in Subsection ~~[(6)(e)]~~
- 971 (6)(e)(i) or a lien that existed before the period of noncompliance.
- 972 (f) If an owner's unit is conveyed to an independent third party during a period of
- 973 noncompliance described in this Subsection (6):
- 974 (i) a lien that arose under Section 57-8-44 before the conveyance of the unit became
- 975 final is extinguished when the conveyance of the unit becomes final; and
- 976 (ii) an event that occurred before the conveyance of the unit became final, and that
- 977 would have given rise to a lien under Section 57-8-44 had the association of unit
- 978 owners been in compliance with the registration requirements of this section, may
- 979 not give rise to a lien under Section 57-8-44 if the conveyance of the unit becomes
- 980 final before the association of unit owners ends the period of noncompliance.
- 981 ~~[(7) The department shall publish educational materials on the department's website~~
- 982 ~~providing, in simple and easy to understand language, a brief overview of state law~~

governing associations of unit owners, including:]

[(a) a description of the rights and responsibilities provided in this chapter to any party under the jurisdiction of an association of unit owners; and]

[(b) instructions regarding how an association of unit owners may be organized and dismantled in accordance with this chapter.]

Section 10. Section **57-8-16.5** is amended to read:

57-8-16.5 . Period of administrative control -- Renewal or ratification of contracts -- Failure to establish association or committee -- Declarant responsibilities.

(1)(a) The declaration may authorize the declarant, ~~[or] a managing agent,~~ or ~~[some other]~~ a person ~~[or persons selected or to be selected by]~~ that the declarant selects, to:

(i) ~~[-]~~appoint and remove some or all of:

(A) ~~[-]~~the members of the management committee; or

(B) ~~[- some or all of -]~~the officers of the association of unit owners~~[-]~~ ; or

(ii) ~~[-to-]~~exercise powers and responsibilities otherwise assigned by the declaration and by this ~~[act]~~ chapter to the association of unit owners, ~~[its]~~ the association's officers, or the management committee.

(b) If the declaration authorizes the declarant to ~~[appoint or remove some or all members of the management committee or some or all of the officers of the association of unit owners]~~ conduct the actions described in Subsection (1)(a)(i) during the period of administrative control ~~[encompassed by]~~ described in this Subsection (1), the declarant may appoint the declarant's officers, employees or agents as members of the management committee or as officers of the association of unit owners.

(c) ~~[No]~~ An amendment to the declaration ~~[not consented to by all unit owners shall]~~ may not increase the scope of [this authorization] the authorization described in Subsection (1)(b), unless all unit owners unanimously consent to the amendment.

(d) ~~[-]~~ [and no such authorization shall be valid after the first to occur of the following]
The authorization described in Subsection (1)(b) terminates on the day on which the first of the following occurs:

(i) ~~[expiration of -]~~the time limit set by the declaration expires, ~~[which shall]~~ that may not exceed:

(A) ~~[- six years in the case of]~~ for an expandable condominium, six years~~[-]~~ ;

(B) ~~[- four years in the case of]~~ for a condominium project containing any convertible land, four years~~[-]~~ ; or

(C) ~~[- three years in the case of]~~ for any other condominium project, three years; or

- (ii) ~~[after-]~~units to which three-fourths of the undivided interest in the common areas and facilities appertain have been conveyed~~[-]~~ ; or
- (iii) ~~[after-]~~all additional land has been added to the project and all convertible land has been converted, whichever last occurs.

- (2) If entered into during the period of administrative control contemplated by Subsection (1), ~~[nø]~~ a management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the declarant which was executed by or on behalf of the association of unit owners or the unit owners as a group ~~[shall be]~~ is not binding after ~~[such]~~ the period of administrative control unless ~~[then renewed or ratified by the consent of]~~ unit owners of units to which a majority of the votes in the association of unit owners appertains renew and ratify the management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the declarant.
- (3) If the association of unit owners or management committee is not in existence or does not have officers at the time of the creation of a condominium project, the declarant shall, until there is an association or management committee with these officers, have the power and responsibility to act in all instances where this ~~[act]~~ chapter or the declaration requires action by the association of unit owners, the management committee, or any of the officers of ~~[them]~~ the association of unit owners or the management committee.
- (4) This section shall be strictly construed to protect the rights of the unit owners.
- (5) During the period of administrative control, the declarant shall:
- (a) use reasonable care and prudence in managing and maintaining the common areas and facilities;
 - (b) establish a sound fiscal basis for the association by imposing and collecting assessments and establishing reserves for the maintenance and replacement of common areas and facilities;
 - (c) for a service that the association is or will be obligated to provide, disclose to the unit owners the amount of money the declarant provides for or subsidizes for that service;
 - (d) comply with and enforce the terms of the declaration, including design controls, land-use restrictions, and the payment of assessments; and
 - (e) disclose to the unit owners all material facts and circumstances affecting:
 - (i) the condition of the property that the association is responsible for maintaining;
 - and
 - (ii) the financial condition of the association, including the interest of the declarant

and the declarant's affiliates in a contract, lease, or other agreement entered into by the association.

Section 11. Section **57-8-17** is amended to read:

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

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

(i) each record identified in Subsections 16-6a-1601(1) through (5), in the manner described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and 16-6a-1610; and

(ii) a copy of the association's:

(A) governing documents;

(B) most recent approved minutes;

(C) most recent annual budget and financial statement;

(D) most recent reserve analysis;

(E) certificate of insurance for each insurance policy the association of unit owners holds;

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

(G) [a-]profit and loss statement for the previous three fiscal years; and

(H) [a-]balance sheet for the previous three fiscal years[-] ; and

(I) monthly statement of the account described in Section 57-8-60.

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

(i) a Social Security number;

(ii) a bank account number; or

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

(c) The following are considered property of the association:

(i) a record or document described in Subsection (1)(a)(i) or (ii); and

(ii) unless otherwise provided in a management agreement, the funds contained in an account described in Section 57-8-60.

(d) If a person other than the association of unit owners has control over or possession of a record described in Subsection (1)(a)(i) or (ii), the person shall, upon the

association's request, provide the record to the association of unit owners without charge.

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

(i) make documents available to unit owners in accordance with the association of unit owners' governing documents; and

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

(B) if the association of unit owners does not have an active website, make physical copies of the documents described in Subsections (1)(a)(ii)(A) through (C) available to unit owners during regular business hours at the association of unit owners' address registered with the Department of Commerce under Section 57-8-13.1.

(b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.

(c) If a provision of an association of unit owners' governing documents conflicts with a provision of this section, the provision of this section governs.

(3) In a written request to inspect or copy documents:

(a) a unit owner shall include:

(i) the association of unit owners' name;

(ii) the unit owner's name;

(iii) the unit owner's property address;

(iv) the unit owner's email address;

(v) a description of the documents requested; and

(vi) ~~any~~ an election or a request described in Subsection (3)(b); and

(b) a unit owner may:

(i) elect whether to inspect or copy the documents;

(ii) if the unit owner elects to copy the documents, request hard copies or electronic scans of the documents; or

(iii) subject to Subsection (4), request that:

(A) the association of unit owners make the copies or electronic scans of the requested documents;

(B) a recognized third party duplicating service make the copies or electronic scans of the requested documents;

(C) the unit owner be allowed to bring any necessary imaging equipment to the place of inspection and make copies or electronic scans of the documents while inspecting the documents; or

(D) the association of unit owners email the requested documents to an email address provided in the request.

(4)(a) An association of unit owners shall comply with a request described in Subsection (3) within [~~two weeks~~] 10 business days after the day on which the association of unit owners receives the request.

(b) If an association of unit owners produces the copies or electronic scans:

(i) the copies or electronic scans shall be legible and accurate;

(ii) the unit owner shall pay the association of unit owners the reasonable cost of the copies and for time spent meeting with the unit owner, which may not exceed:

(A) the actual cost that the association of unit owners paid to a recognized third party duplicating service to make the copies or electronic scans; or

(B) 10 cents per page and \$20 per hour for the employee's, manager's, or other agent's time making the copies or electronic scans; and

(iii) the association may not charge the unit owner for any costs associated with fulfilling a request for the electronic transmission of the documents described in Subsection (3).

(c) If a unit owner requests a recognized third party duplicating service make the copies or electronic scans:

(i) the association of unit owners shall arrange for the delivery and pick up of the original documents; and

(ii) the unit owner shall pay the duplicating service directly.

(d) Subject to Subsection (9), if a unit owner requests to bring imaging equipment to the inspection, the association of unit owners shall provide the necessary space, light, and power for the imaging equipment.

(e) An association may comply with a request described in Subsection (3) by posting the documents described in Subsection (3) to the association's website or online owner portal.

(5) If, in response to a unit owner's request to inspect or copy documents, an association of unit owners fails to comply with a provision of this section, the association of unit owners shall pay:

(a) the reasonable costs of inspecting and copying the requested documents;

(b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the unit owner who made the request for each day the request continues unfulfilled, beginning the [~~sixth day~~] eleventh business day after the day on which the unit owner made the request; and

(c) reasonable attorney fees and costs [~~incurred by~~] that the unit owner incurs in obtaining the inspection and copies of the requested documents.

(6)(a) In addition to any remedy in the association of unit owners' governing documents or as otherwise provided by law, a unit owner may file an action in court under this section if:

(i) subject to Subsection (9), an association of unit owners fails to make documents available to the unit owner in accordance with this section, the association of unit owners' governing documents, or as otherwise provided by law; and

(ii) the association of unit owners fails to timely comply with a notice described in Subsection (6)(d).

(b) In an action described in Subsection (6)(a):

(i) the unit owner may request:

(A) injunctive relief requiring the association of unit owners to comply with the provisions of this section;

(B) \$1,000 or actual [~~damage~~] damages, whichever is greater; or

(C) any other relief provided by law; and

(ii) the court may award costs and reasonable attorney fees to the prevailing party, including any reasonable attorney fees incurred before the action was filed that relate to the request that is the subject of the action.

(c)(i) In an action described in Subsection (6)(a), upon motion by the unit owner made in accordance with Subsection (6)(b), notice to the association of unit owners, and a hearing in which the court finds a likelihood that the association of unit owners failed to comply with a provision of this section, the court shall order the association of unit owners to immediately comply with the provision.

(ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days after the day on which the unit owner files the motion.

(d) At least 10 days before the day on which a unit owner files an action described in Subsection (6)(a), the unit owner shall deliver a written notice to the association of unit owners that states:

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

- 1187 (ii) each requirement of this section with which the association of unit owners has
1188 failed to comply;
- 1189 (iii) a demand that the association of unit owners comply with each requirement with
1190 which the association of unit owners has failed to comply; and
- 1191 (iv) a date by which the association of unit owners shall remedy the association of
1192 unit owners' noncompliance that is at least 10 days after the day on which the unit
1193 owner delivers the notice to the association of unit owners.
- 1194 (7)(a) The provisions of Section 16-6a-1604 do not apply to an association of unit
1195 owners.
- 1196 (b) The provisions of this section apply regardless of any conflicting provision in Title
1197 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
- 1198 (8) A unit owner's agent may, on the unit owner's behalf, exercise or assert any right that
1199 the unit owner has under this section.
- 1200 (9) An association of unit owners is not liable for identifying or providing a document in
1201 error, if the association of unit owners identified or provided the erroneous document in
1202 good faith.
- 1203 Section 12. Section **57-8-32** is amended to read:
- 1204 **57-8-32 . Sale of property and common areas and facilities.**
- 1205 (1) Subject to Subsection 10-20-809(5) or 17-79-709(5), unless otherwise provided in the
1206 declaration or bylaws, and notwithstanding the provisions of Sections 57-8-30 and
1207 57-8-31, the unit owners may by an affirmative vote of at least 67% of unit owners, elect
1208 to sell, convey, transfer, or otherwise dispose of the property or all or part of the
1209 common areas and facilities.
- 1210 (2) An affirmative vote described in Subsection (1) is binding upon all unit owners, and
1211 each unit owner shall execute and deliver the appropriate instruments and perform all
1212 acts as necessary to affect the sale, conveyance, transfer, or other disposition of the
1213 property or common areas and facilities.
- 1214 (3) The general easement of ingress, egress, and use of the common areas and facilities
1215 granted to an association and unit owners through recorded governing documents is
1216 extinguished in any portion of the common areas and facilities the unit owners sell,
1217 convey, transfer, or otherwise dispose of, if:
- 1218 (a) the unit owners, in selling, conveying, transferring, or otherwise disposing of the
1219 portion of the common areas and facilities, comply with:
- 1220 (i) the provisions of this section; and

- 1221 (ii) Section 10-20-809 or 17-79-709; and
- 1222 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
- 1223 areas and facilities results in a person other than the association owning the portion of
- 1224 the common areas and facilities.
- 1225 (4) This section applies to an association of unit owners regardless of when the association
- 1226 of unit owners is created.
- 1227 (5) A declarant may not sell any part of the common areas and facilities during the period
- 1228 of administrative control, except:
- 1229 (a) as allowed for convertible land or convertible space within a condominium project;[
- 1230 or]
- 1231 (b) as provided in Section 10-20-809 or 17-79-709[-] ; or
- 1232 (c) if the declarant sells a part of the common areas and facilities to:
- 1233 (i) a county, as that term is defined in Section 17-60-101;
- 1234 (ii) a municipality, as that term is defined in Section 10-1-104; or
- 1235 (iii) the Department of Transportation, created in Section 72-1-201.
- 1236 (6) Unless otherwise prohibited by the association's declaration or bylaws, an authorized
- 1237 representative of the association may act as attorney-in-fact for the association's unit
- 1238 owners in executing a sale, conveyance, transfer, or other disposition of the common
- 1239 areas and facilities following an affirmative vote described in Subsection (1).

1240 Section 13. Section **57-8a-103** is amended to read:

1241 **57-8a-103 . Scope of chapter -- Applicability of chapter.**

- 1242 (1) Remedies provided in this chapter, by law, or in equity are not mutually exclusive.
- 1243 (2) This chapter applies to an association if:
- 1244 (a) the association's declaration states that this chapter applies;
- 1245 (b) the association amends the association's declaration to state that this chapter applies
- 1246 in accordance with Section 57-8a-107;
- 1247 (c) the association's declaration does not state whether this chapter or Chapter 8,
- 1248 Condominium Ownership Act, applies; or
- 1249 (d) the board adopts a resolution that states that this chapter applies.
- 1250 (3) This section applies regardless of when an association is created.

1251 Section 14. Section **57-8a-105** is amended to read:

1252 **57-8a-105 . Registration with Department of Commerce.**

- 1253 (1) As used in this section, "department" means the Department of Commerce created in
- 1254 Section 13-1-2.

- 1255 (2)(a) No later than 90 days after the recording of a declaration of covenants, conditions,
1256 and restrictions establishing an association, the association shall register with the
1257 department in the manner ~~[established by]~~ that the department establishes.
- 1258 (b) An association existing under a declaration of covenants, conditions, and restrictions
1259 recorded before May 10, 2011, shall, no later than July 1, 2011, register with the
1260 department in the manner ~~[established by]~~ that the department establishes.
- 1261 (3) The department shall require an association registering as required in this section to
1262 provide with each registration:
- 1263 (a) the name and address of the association;
- 1264 (b) the name, ~~[address,]~~ telephone number, and, if applicable, email address of the chair
1265 of the association board;
- 1266 (c) ~~[contact information for the manager]~~ the name, telephone number, and, if applicable,
1267 email address of each manager or board member;
- 1268 (d) the name, address, telephone number, and, if the contact person wishes to use email
1269 or facsimile transmission for communicating payoff information, the email address or
1270 facsimile number, as applicable, of a primary contact person who has association
1271 payoff information that a closing agent needs in connection with the closing of a lot
1272 owner's financing, refinancing, or sale of the owner's lot; and
- 1273 (e) a registration fee~~[-set by]~~ that the department sets in accordance with Section
1274 63J-1-504.
- 1275 (4)(a) An association shall annually renew the association's registration described in
1276 Subsection (2).
- 1277 (b) The department may impose and set the amount of a renewal registration fee in
1278 accordance with Section 63J-1-504.
- 1279 (5) An association that has registered under Subsection (2) shall submit to the department
1280 an update to the association's registration information, in the manner ~~[established by]~~ that
1281 the department establishes, within 90 days after a change in any of the information
1282 provided under Subsection (3).
- 1283 (6)(a) During any period of noncompliance with the registration requirement described
1284 in Subsection (2) or the requirement for an updated registration described in
1285 Subsection (5):
- 1286 (i) a lien may not arise under Section 57-8a-301; and
- 1287 (ii) an association may not enforce an existing lien that arose under Section 57-8a-301.
- 1288 (b) A period of noncompliance with the registration requirement of Subsection (2) or

with the updated registration requirement of Subsection (5) does not begin until after the expiration of the 90-day period specified in Subsection (2) or (5), respectively.

(c) An association that is not in compliance with the registration requirement described in Subsection (2) may end the period of noncompliance by registering with the department in the manner ~~[established by]~~ that the department establishes under Subsection (2).

(d) An association that is not in compliance with the updated registration requirement described in Subsection (5) may end the period of noncompliance by submitting to the department an updated registration in the manner ~~[established by]~~ that the department establishes under Subsection (5).

(e) Except as described in Subsection (6)(f), beginning on the date an association ends a period of noncompliance:

(i) a lien may arise under Section 57-8a-301 for any event that:

(A) occurred during the period of noncompliance; and

(B) would have given rise to a lien under Section 57-8a-301 had the association been in compliance with the registration requirements described in this section; and

(ii) an association may enforce a lien described in this Subsection (6)(e) or a lien that existed before the period of noncompliance.

(f) If an owner's residential lot is conveyed to an independent third party during a period of noncompliance described in this Subsection (6):

(i) a lien that arose under Section 57-8a-301 before the conveyance of the residential lot became final is extinguished when the conveyance of the residential lot becomes final; and

(ii) an event that occurred before the conveyance of the residential lot became final, and that would have given rise to a lien under Section 57-8a-301 had the association been in compliance with the registration requirements of this section, may not give rise to a lien under Section 57-8a-301 if the conveyance of the residential lot becomes final before the association ends the period of noncompliance.

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

~~[(a) a description of the rights and responsibilities provided in this chapter to any party~~

1323 under the jurisdiction of an association; and]
1324 [(b) instructions regarding how an association may be organized and dismantled in
1325 accordance with this chapter.]
1326 [(8)(a) Unless otherwise expressly exempted, this chapter applies to an association that
1327 registers, or renews or updates the association's registration, with the department
1328 under this section.]
1329 [(b) This section applies to an association regardless of when the association is created.]

1330 Section 15. Section **57-8a-105.1** is amended to read:

1331 **57-8a-105.1 . Information required before sale to independent third party.**

- 1332 (1) Before the sale of ~~[any]~~ a lot under the jurisdiction of an association to an independent
1333 third party, the grantor shall provide to the independent third party:
1334 (a) a copy of the association's recorded governing documents; and
1335 (b) a link or other access point to the ~~[department's]~~ educational materials described in
1336 Subsection ~~[57-8a-105(6)]~~ 13-79-103(4).
1337 (2) The grantor shall provide the information described in Subsection (1) before closing.
1338 (3) The association shall, upon request by the grantor, provide to the grantor the
1339 information described in Subsection (1).
1340 (4) This section applies to each association, regardless of when the association is formed.

1341 Section 16. Section **57-8a-212** is amended to read:

1342 **57-8a-212 . Content of a declaration.**

- 1343 (1) An initial declaration recorded on or after May 10, 2011, shall contain:
1344 (a) the name of the project;
1345 (b) the name of the association;
1346 (c) a statement that the project is not a cooperative;
1347 (d) a statement indicating any portions of the project that contain condominiums
1348 governed by Chapter 8, Condominium Ownership Act;
1349 ~~(e) a statement that the project is governed by this chapter;~~
1350 ~~[(e)]~~ (f) if the declarant desires to reserve the option to expand the project, a statement
1351 reserving the option to expand the project;
1352 ~~[(f)]~~ (g) the name of each county in which any part of the project is located;
1353 ~~[(g)]~~ (h) a legally sufficient description of the real estate included in the project;
1354 ~~[(h)]~~ (i) a description of any limited common areas and any real estate that is or is
1355 required to become common areas;
1356 ~~[(i)]~~ (j) any restriction on the alienation of a lot, including a restriction on leasing; and

[~~(j)~~] (k)(i) an appointment of a trustee who qualifies under Subsection 57-1-21(1)(a)(i) or (iv); and

(ii) the following statement: "The declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-302 to (name of trustee), with power of sale, the lot and all improvements to the lot for the purpose of securing payment of assessments under the terms of the declaration."

(2) A declaration may contain any other information the declarant considers appropriate, including ~~[any]~~ a restriction on the use of a lot, the number of persons who may occupy a lot, or other qualifications of a person who may occupy a lot.

(3) The location of a limited common area or real estate described in Subsection (1)(g) may be shown on a subdivision plat.

Section 17. Section **57-8a-227** is amended to read:

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

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

(i) each record identified in Subsections 16-6a-1601(1) through (5), in the manner described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and 16-6a-1610; and

(ii) a copy of the association's:

(A) governing documents;

(B) most recent approved minutes;

(C) most recent annual budget and financial statement;

(D) most recent reserve analysis;

(E) certificate of insurance for each insurance policy the association holds;

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

(G) ~~[a-]~~profit and loss statement for the previous three fiscal years;~~[-and]~~

(H) ~~[a-]~~balance sheet for the previous three fiscal years; and

(I) monthly statement of the account described in Section 57-8a-230.

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

(i) a Social Security number;

(ii) a bank account number; or

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

(c) The following are considered property of the association:

(i) a record or document described in Subsection (1)(a)(i) or (ii); and

(ii) unless otherwise provided in a management agreement, the funds contained in an account described in Section 57-8a-230.

(d) If a person other than the association has control over or possession of a record described in Subsection (1)(a)(i) or (ii), the person shall, upon the association's request, provide the record to the association without charge.

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

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

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

(B) if the association does not have an active website, make physical copies of the documents described in Subsections (1)(a)(ii)(A) through (C) available to lot owners during regular business hours at the association's address registered with the Department of Commerce under Section 57-8a-105.

(b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.

(c) If a provision of an association's governing documents conflicts with a provision of this section, the provision of this section governs.

(3) In a written request to inspect or copy documents:

(a) a lot owner shall include:

(i) the association's name;

(ii) the lot owner's name;

(iii) the lot owner's property address;

(iv) the lot owner's email address;

(v) a description of the documents requested; and

(vi) any election or request described in Subsection (3)(b); and

(b) a lot owner may:

(i) elect whether to inspect or copy the documents;

(ii) if the lot owner elects to copy the documents, request hard copies or electronic scans of the documents; or

(iii) subject to Subsection (4), request that:

(A) the association make the copies or electronic scans of the requested

documents;

(B) a recognized third party duplicating service make the copies or electronic scans of the requested documents;

(C) the lot owner be allowed to bring any necessary imaging equipment to the place of inspection and make copies or electronic scans of the documents while inspecting the documents; or

(D) the association email the requested documents to an email address provided in the request.

(4)(a) An association shall comply with a request described in Subsection (3) within [~~two weeks~~] 10 business days after the day on which the association receives the request.

(b) If an association produces the copies or electronic scans:

(i) the copies or electronic scans shall be legible and accurate;

(ii) the lot owner shall pay the association the reasonable cost of the copies and for time spent meeting with the lot owner, which may not exceed:

(A) the actual cost that the association paid to a recognized third party duplicating service to make the copies or electronic scans; or

(B) 10 cents per page and \$20 per hour for the employee's, manager's, or other agent's time; and

(iii) the association may not charge the lot owner for any costs associated with fulfilling a request for electronic transmission of the documents described in Subsection (3).

(c) If a lot owner requests a recognized third party duplicating service make the copies or electronic scans:

(i) the association shall arrange for the delivery and pick up of the original documents; and

(ii) the lot owner shall pay the duplicating service directly.

(d) If a lot owner requests to bring imaging equipment to the inspection, the association shall provide the necessary space, light, and power for the imaging equipment.

(e) An association may fulfill the request described in Subsection (3) by posting the documents described in Subsection (3) to the association's website or online owner portal.

(5) Subject to Subsection (9), if, in response to a lot owner's request to inspect or copy documents, an association fails to comply with a provision of this section, the

association shall pay:

(a) the reasonable costs of inspecting and copying the requested documents;

(b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the lot owner who made the request for each day the request continues unfulfilled, beginning the [~~sixth~~] eleventh business day after the day on which the lot owner made the request; and

(c) reasonable attorney fees and costs incurred by the lot owner in obtaining the inspection and copies of the requested documents.

(6)(a) In addition to any remedy in the association's governing documents or otherwise provided by law, a lot owner may file an action in court against the association under this section if:

(i) subject to Subsection (9), an association fails to make documents available to the lot owner in accordance with this section, the association's governing documents, or as otherwise provided by law; and

(ii) the association fails to timely comply with a notice described in Subsection (6)(d).

(b) In an action described in Subsection (6)(a):

(i) the lot owner may request:

(A) injunctive relief requiring the association to comply with the provisions of this section;

(B) \$1,000 or actual damage, whichever is greater; or

(C) any other relief provided by law; and

(ii) the court may award costs and reasonable attorney fees to the prevailing party, including any reasonable attorney fees incurred before the action was filed that relate to the request that is the subject of the action.

(c)(i) In an action described in Subsection (6)(a), upon motion by the lot owner made in accordance with Subsection (6)(b), notice to the association, and a hearing in which the court finds a likelihood that the association failed to comply with a provision of this section, the court shall order the association to immediately comply with the provision.

(ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days after the day on which the lot owner files the motion.

(d) At least 10 days before the day on which a lot owner files an action described in Subsection (6)(a), the lot owner shall deliver a written notice to the association that states:

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

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

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

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

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

Section 18. Section **57-8a-232** is amended to read:

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

(1) Subject to Subsection 10-20-809(5) or 17-79-709(5), unless otherwise provided in the governing documents, an association may by an affirmative vote of at least 67% of the voting interests of the association, elect to sell, convey, transfer, or otherwise dispose of all or part of the common areas.

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

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

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

- (i) the provisions of this section; and
- (ii) Section 10-20-809 or 17-79-709; and

(b) the sale, conveyance, transfer, or other disposition of the portion of the common areas results in a person other than the association owning the portion of the common

1527 areas.

1528 (4) This section applies to an association regardless of when the association is created.

1529 (5) A declarant may not sell any part of the common areas during the period of
1530 administrative control, except:

1531 (a) [-]as provided in Section 10-20-809 or 17-79-709[:]; or

1532 (b) if the declarant sells a part of the common areas to:

1533 (i) a county, as that term is defined in Section 17-60-101;

1534 (ii) a municipality, as that term is defined in Section 10-1-104; or

1535 (iii) the Department of Transportation, created in Section 72-1-201.

1536 (6) Unless otherwise prohibited by the association's governing documents, an authorized
1537 representative of the association may act as attorney-in-fact for the association's lot
1538 owners in executing a sale, conveyance, transfer, or other disposition of the common
1539 areas following an affirmative vote described in Subsection (1).

1540 Section 19. **Effective Date.**

1541 This bill takes effect on May 6, 2026.