

1

Homeowners' Association Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: R. Neil Walter

Senate Sponsor:

2

3 LONG TITLE

4

General Description:

5 This bill amends provisions relating to homeowners' associations.

6

Highlighted Provisions:

7 This bill:

- 8 ▶ defines terms;
- 9 ▶ requires that the Office of the Homeowners' Association Ombudsman (office) make
- 10 public each advisory opinion the office issues;

11 ▶ requires that the office publish educational materials on the office's website;

12 ▶ provides that an action by an attorney employed by the office does not create an

13 attorney-client relationship;

14 ▶ provides that the filing fee a person pays for an advisory opinion from the office is

15 nonrefundable;

16 ▶ provides that a homeowners' association may not require a person to engage in binding

17 arbitration before obtaining an advisory opinion from the office;

18 ▶ provides the requirements for the contents of a request for an advisory opinion;

19 ▶ amends the amount of the civil penalty a court may issue after qualifying conditions are

20 met;

21 ▶ repeals the requirement that the parties to an advisory opinion split the cost of the

22 advisory opinion;

23 ▶ provides that an administrative setup fee may not exceed \$200;

24 ▶ establishes the conditions under which Title 57, Chapter 8, Condominium Ownership Act,

25 or Title 57, Chapter 8a, Community Association Act, applies;

26 ▶ requires that an association of unit owners prepare and adopt an annual budget for the

27 association;

28 ▶ amends provisions relating to the applicability of Title 57, Chapter 8, Condominium

29 Ownership Act, or Title 57, Chapter 8a, Community Association Act;

30 ▶ removes the requirement that a board member and president of an association provide a

31 physical address to the Department of Commerce for registration;

32 ▶ provides that certain documents are considered property of an association;

33 ▶ provides that if a person maintains a document considered property of an association, the

34 person shall provide the document to the association upon request;

35 ▶ provides that a declarant may sell a part of the common areas during the period of

36 administrative control to certain persons; and

37 ▶ makes technical changes.

38 **Money Appropriated in this Bill:**

39 None

40 **Other Special Clauses:**

41 None

42 **Utah Code Sections Affected:**

43 AMENDS:

44 **13-79-103**, as enacted by Laws of Utah 2025, Chapter 226

45 **13-79-104**, as enacted by Laws of Utah 2025, Chapter 226

46 **57-1-46**, as last amended by Laws of Utah 2025, Chapter 226

47 **57-8-2**, as enacted by Laws of Utah 1963, Chapter 111

48 **57-8-3**, as last amended by Laws of Utah 2025, Chapter 291

49 **57-8-6.1**, as enacted by Laws of Utah 2020, Chapter 75

50 **57-8-10**, as last amended by Laws of Utah 2014, Chapter 397

51 **57-8-13.1**, as last amended by Laws of Utah 2025, Chapter 226

52 **57-8-16.5**, as last amended by Laws of Utah 2016, Chapter 210

53 **57-8-17**, as last amended by Laws of Utah 2025, Chapters 197, 226

54 **57-8-32**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

55 **57-8a-103**, as enacted by Laws of Utah 2004, Chapter 153

56 **57-8a-105**, as last amended by Laws of Utah 2025, Chapter 226

57 **57-8a-105.1**, as enacted by Laws of Utah 2020, Chapter 75

58 **57-8a-212**, as last amended by Laws of Utah 2013, Chapter 152

59 **57-8a-227**, as last amended by Laws of Utah 2025, Chapters 197, 226

60 **57-8a-232**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

61 ENACTS:

62 **57-8-7.6**, Utah Code Annotated 1953

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

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

66 **13-79-103 . Duties and jurisdiction of office.**

67 (1) The attorneys of the office shall:

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

71 (b) upon request:

72 (i) analyze a complaint from a lot owner, a unit owner, an association of lot owners,
73 or an association of unit owners regarding the conduct of a lot owner, a unit
74 owner, an association of lot owners, or an association of unit owners; and

75 (ii) provide an advisory opinion as described in Section 13-79-104.

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

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

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

85 (4) The office[~~z~~]

86 [~~(a)~~] shall:

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

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

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

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

97 (ii) a description of the rights and responsibilities provided in Title 57, Chapter 8a,
98 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

at any time before the commencement of:

(i) an action in a court

(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

133 request knew or should have known about the alleged act that is the subject of
134 the advisory opinion[.] ; and

135 (iv) in the request for an advisory opinion, describe:

136 (A) the alleged act that is the subject of the advisory opinion; and

137 (B) the impact of the alleged act that is the subject of the advisory opinion on the
138 person making the request.

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

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

143 (4)(a) [The] Except as provided in Subsection (4)(b), the office may not issue an advisory
144 opinion unless the person requesting an advisory opinion exhausts all existing dispute
145 resolution procedures provided in:

146 (i) the governing documents of an association of lot owners, if the dispute involves a
147 lot owner; or

148 (ii) the governing documents of an association of unit owners, if the dispute involves
149 a unit owner.

150 (b) An association of unit owners or an association of lot owners may not require that a
151 person engage in binding arbitration before requesting an advisory opinion from the
152 office.

153 [t(b)] (c) A person requesting an advisory opinion shall include in the person's complaint
154 a description of how that person [exhausted all existing procedures provided in the
155 applicable governing documents] complied with this Subsection (4).

156 (5) Upon receipt of a request for an advisory opinion, the office shall:

157 (a) inquire of all parties if there are other necessary parties to the dispute;

158 (b) determine whether the person bringing the request has [exhausted all existing
159 procedures provided in the applicable governing documents] complied with
160 Subsections (1) through (4); and

161 (c) deliver notice of the request to the opposing parties indicated in the request and any
162 other necessary party identified in accordance with Subsection (5)(a).

163 (6) Subject to Subsection (7), after analyzing a complaint, the office shall:

164 (a) issue a written advisory opinion addressing the issues described in the request for an
165 advisory opinion;

166 (b) include in the advisory opinion a statement of the facts and law supporting the

opinion's conclusions; and

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

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

(i) the issues are not ripe for review;

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

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

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

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

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

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

- (A) determines that the person requesting the advisory opinion has not exhausted all existing procedures, as described in Subsection (4)(a);
- (B) declines to issue an advisory opinion, as described in Subsection (7)(a); or
- (C) determines that the request deals solely with a contractual dispute, as described in Subsection (7)(b).

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

- (A) the person submits a written copy of the request to the executive director of the department; and
- (B) the executive director of the department authorizes the person to file the request for the advisory opinion with the office.

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

201 of the filing fee equally.]

202 [§10] (9) An advisory opinion issued under this section is neither binding on any party to,
203 nor admissible as evidence in, a dispute involving an association of lot owners or an
204 association of unit owners, except as provided in Subsection [§11] (10).

205 [§11] (10)(a) As used in this Subsection [§11] (10), "qualifying conditions" means:

206 (i) the office issues an advisory opinion described in this section;
207 (ii) the same issue that is the subject of the advisory opinion is subsequently litigated
208 in court; and

209 (iii) the court rules in favor of the same party as the advisory opinion in a final
210 judgment.

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

213 (i) reasonable attorney fees and court costs relating to the development of the cause
214 of action from the date the office delivers the advisory opinion to the date of the
215 court's resolution; and

216 (ii) if the court finds that the opposing party knowingly and intentionally violated the
217 law governing the cause of action, a civil penalty of [\$250 for each day described
218 in Subsection (12).] \$5,000.

219 [§12] The civil penalty described in Subsection (11)(b):]

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

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

222 [(ii) the day on which the substantially prevailing party or opposing party filed the
223 action in court; and]

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

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

226 **57-1-46 . Transfer fee and reinvestment fee covenants.**

227 (1) As used in this section:

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

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

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

231 (A) a common interest association; or

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

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

235 (i) the purchase, ownership, leasing, construction, operation, use, administration,
236 maintenance, improvement, repair, or replacement of association facilities,
237 including expenses for taxes, insurance, operating reserves, capital reserves, and
238 emergency funds;

239 (ii) providing, establishing, creating, or managing a facility, activity, service, or
240 program for the benefit of property owners, tenants, common areas, the burdened
241 property, or property governed by the common interest association; or
242 (iii) other facilities, activities, services, or programs that are required or permitted
243 under the common interest association's organizational documents.

244 ~~[(b)] (c)~~ "Association facilities" means any real property, improvements on real property,
245 or personal property owned, leased, constructed, developed, managed, or used by a
246 common interest association, including common areas.

247 ~~[(e) "Association transfer fee" means a fee, charge, or payment that is:]~~

248 ~~[(i) related to the sale of real property; and]~~

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

250 ~~[(A) a common interest association; or]~~

251 ~~[(B) a person acting on behalf of the common interest association.]~~

252 (d) "Burdened property" means the real property that is subject to a reinvestment fee
253 covenant or transfer fee covenant.

254 (e) "Common areas" means areas described within:

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

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

257 (f)(i) "Common interest association" means:

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

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

260 (C) a nonprofit association.

261 (ii) "Common interest association" includes a person authorized by an association,
262 association of unit owners, or nonprofit association.

263 (g) "Large master planned development" means an approved development:

264 (i) of at least 500 acres or 500 units; and

265 (ii) that includes a commitment to fund, construct, develop, or maintain:

266 (A) common infrastructure;

267 (B) association facilities;

268 (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 (I) "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.

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

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

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

345 (i) state the name and address of the common interest association to which the fee
346 under the reinvestment fee covenant is required to be paid;

347 (ii) include the notarized signature of the common interest association's authorized
348 representative;

349 (iii) state that the burden of the reinvestment fee covenant is intended to run with the
350 land and to bind successors in interest and assigns;

351 (iv) state that the existence of the reinvestment fee covenant precludes the imposition
352 of an additional reinvestment fee covenant on the burdened property;

353 (v) state the duration of the reinvestment fee covenant;

354 (vi) state the purpose of the fee required to be paid under the reinvestment fee
355 covenant; and

356 (vii) state that the fee required to be paid under the reinvestment fee covenant is
357 required to benefit the burdened property.

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

360 (7)(a) A reinvestment fee covenant or transfer fee covenant recorded before March 16,
361 2010, is not enforceable after May 31, 2010, unless:

362 (i) a notice that is consistent with the notice described in Subsection (6) is recorded in
363 the office of the recorder of each county in which any of the burdened property is
364 located; or

365 (ii) a notice of reinvestment fee covenant or transfer fee covenant, as described in
366 Subsection (7)(b), is recorded in the office of the recorder of each county in which
367 any of the burdened property is located.

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

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

- (ii) state the name and current address of the beneficiary under the reinvestment fee covenant or transfer fee covenant;
- (iii) state that the burden of the reinvestment fee covenant or transfer fee covenant is intended to run with the land and to bind successors in interest and assigns; and
- (iv) state the duration of the reinvestment fee covenant or transfer fee covenant.

(c) A recorded notice of reinvestment fee covenant or transfer fee covenant that substantially complies with the requirements of Subsection (7)(b) is valid and effective.

(d) A notice under Subsection (7)(b):

- (i) that is recorded after May 31, 2010, is not enforceable; and
- (ii) shall comply with the requirements of Section 57-1-47.

(e) An amendment to a notice under Subsection (7)(b) recorded after May 31, 2010, seeking to amend a notice under Subsection (7)(b) recorded before May 31, 2010, is not an enforceable amendment.

) A reinvestment fee covenant recorded on or after March 16, 2010, may not be enforced upon:

- (a) an involuntary transfer;
- (b) a transfer that results from a court order;
- (c) a bona fide transfer to a family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity;
- (d) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution; or
- (e) the transfer of burdened property by a financial institution, except to the extent that the reinvestment fee covenant requires the payment of a common interest association's costs directly related to the transfer of the burdened property, not to exceed \$250.

) (a) An [association transfer fee] administrative setup fee imposed on or after May 7, 2025, is void and unenforceable unless the association uses the fee only to pay expenses related to the transfer.

(b) An administrative setup fee imposed in accordance with this Subsection (9) may not exceed \$200.

) On or after May 7, 2025, an association may not impose a reinvestment fee unless:

- (a) imposing the reinvestment fee is authorized in the declaration or a reinvestment fee covenant; and

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

407 (11) After a vote approving the reinvestment fee described in Subsection (10)(b), an
408 association may set the amount of a reinvestment fee only:
409 (a) in accordance with the terms of the declaration or a reinvestment fee covenant; and
410 (b) upon providing notice in accordance with Section 57-8a-214.

411 (12) Members of the association may remove or amend a reinvestment fee by holding a
412 vote at a special meeting:
413 (a) called by the members for the purpose of removing or amending the reinvestment
414 fee; and
415 (b) at which:
416 (i) at least 51% of the voting interests attend and vote; and
417 (ii) a majority of the voting interests that attend vote to remove or amend the
418 reinvestment fee.

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

420 **57-8-2 . Applicability of chapter.**

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

424 (1) This chapter applies to an association if:

425 (a) the association's declaration states that this chapter applies;
426 (b) the association amends the association's declaration to state that this chapter applies
427 in accordance with Section 57-8-10.5; or
428 (c) the management committee adopts a resolution stating that this chapter applies.

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

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

431 **57-8-3 . Definitions.**

432 As used in this chapter:

433 (1) "Assessment" means any charge [imposed by] that the association imposes, including:
434 (a) common expenses on or against a unit owner [pursuant to] in accordance with the
435 provisions of the declaration, bylaws, or this chapter; and
436 (b) an amount that an association of unit owners assesses to a unit owner under
437 Subsection 57-8-43(9)(g).
438 (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

473 accordance with Section 57-8-13.

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

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

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

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

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

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

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

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

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

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

507 (i) a person that executes an amendment to the declaration expanding an expandable
508 condominium;
509 (ii) a person on whose behalf a person executes an amendment described in
510 Subsection (15)(b)(i); and
511 (iii) a successor of a person described in Subsection (15)(a) that comes to stand in
512 the same relation to the condominium project as [their predecessors also come
513 within this definition] the person's predecessor.

514 (16) "Declaration" means the instrument by which the property is submitted to the
515 provisions of this [aet] chapter, as [it] the declaration from time to time may be lawfully
516 amended.

517 (17) "Electrical corporation" means the same as that term is defined in Section 54-2-1.

518 (18) "Expandable condominium" means a condominium project to which additional land or
519 an interest in [it] the condominium project may be added in accordance with the
520 declaration and this chapter.

521 (19) "Gas corporation" means the same as that term is defined in Section 54-2-1.

522 (20) "Governing documents":

523 (a) means a written instrument by which an association of unit owners may:
524 (i) exercise powers; or
525 (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
526 association of unit owners; and
527 (b) includes:
528 (i) articles of incorporation;
529 (ii) bylaws;
530 (iii) a plat;
531 (iv) a declaration of covenants, conditions, and restrictions; and
532 (v) rules of the association of unit owners.

533 (21) "Independent third party" means a person that:

534 (a) is not related to the unit owner;
535 (b) shares no pecuniary interests with the unit owner; and
536 (c) purchases the unit in good faith and without the intent to defraud a current or future
537 lienholder.

538 (22) "Judicial foreclosure" means a foreclosure of a unit:

539 (a) for the nonpayment of an assessment;
540 (b) in the manner provided by law for the foreclosure of a mortgage on real property; and

541 (c) as provided in this chapter.

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

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

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

552 (25) "Majority" or "majority of the unit owners," unless otherwise provided in the
553 declaration or lawful amendments to the declaration, means the owners of more than
554 50% in the aggregate in interest of the undivided ownership of the common areas and
555 facilities.

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

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

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

564 (b) "Means of electronic communication" includes:
565 (i) web conferencing;
566 (ii) video conferencing; and
567 (iii) telephone conferencing.

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

570 (30) "Nonjudicial foreclosure" means the sale of a unit:
571 (a) for the nonpayment of an assessment;
572 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
573 57-1-34; and
574 (c) as provided in this chapter.

575 (31) "Par value" means a number of dollars or points assigned to each unit by the
576 declaration[.] in accordance with the following:
577 (a) ~~[Substantially]~~ the declaration shall assign substantially identical units [shall be
578 assigned] the same par value[.] ;
579 (b) ~~[but]~~ units located at substantially different heights above the ground, or having
580 substantially different views, or having substantially different amenities or other
581 characteristics that might result in differences in market value, may be considered
582 substantially identical ~~[within the meaning of this subsection]~~ for purposes of
583 Subsection (31)(a);
584 (c) ~~[If]~~ if the declaration states par value ~~[is stated]~~ in terms of dollars~~[, that statement]~~ :
585 (i) the dollar amount may not be considered to reflect or control the sales price or fair
586 market value of ~~[any]~~ a unit[.] ; and
587 (ii) ~~[no]~~ an opinion, an appraisal, or a fair market transaction at a different figure may
588 not affect:
589 (A) ~~[the]~~ the par value of ~~[any]~~ a unit[.] ; or
590 (B) ~~[any]~~ an undivided interest in the common areas and facilities, voting rights in
591 the unit owners' association, liability for common expenses, or right to
592 common profits, [assigned] that the declaration assigns on the basis [thereof] of
593 the par value.
594 (32) "Period of administrative control" means the period of control described in Subsection
595 57-8-16.5(1).
596 (33) "Person" means an individual, corporation, partnership, association, trustee, or other
597 legal entity.
598 (34) "Political sign" means ~~[any]~~ a sign or document that advocates for:
599 (a) the election or defeat of a candidate for public office; or
600 (b) the approval or defeat of a ballot proposition.
601 (35) "Property" means:
602 (a) ~~[the]~~ the land, whether leasehold or in fee simple[.] ;
603 (b) ~~[the]~~ the building, if any[.] ;
604 (c) ~~[all]~~ all improvements and structures ~~[thereon,]~~ on the land;
605 (d) ~~[all]~~ all easements, rights, and appurtenances belonging ~~[thereto,]~~ to the land; and
606 (e) ~~[all]~~ all articles of personal property intended for use in connection ~~[therewith]~~ with the
607 land.
608 (36) "Protected area" means the same as that term is defined in Section 53-29-306.

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

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

612 (a) a unit that:

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

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

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

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

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

622 (b) governs:

623 (i) the conduct of persons; or

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

625 [(39)] (40)(a) "Size" means the number of cubic feet, or the number of square feet of
626 ground or floor space, within [each] a unit as computed by reference to the record of
627 survey map and rounded off to a whole number.

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

636 (i) an attic;

637 (ii) a basement; or

638 (iii) a garage space.

639 [(40)] (41) "Time period unit" means an annually recurring part or parts of a year specified
640 in the declaration as a period for which a unit is separately owned and includes a
641 timeshare estate as that term is defined in Section 57-19-2.

642 [(41)] (42) "Unconstructed unit" means a unit that:

643 (a) is intended, as depicted in the condominium plat, to be fully or partially contained in
644 a building; and
645 (b) is not constructed.

646 ~~[42]~~ (43)(a) "Unit" means a separate part of the property intended for any type of
647 independent use, which is created by the recording of a declaration and a
648 condominium plat that describes the unit boundaries.

649 (b) "Unit" includes:
650 (i) one or more rooms or spaces located in one or more floors or a portion of a floor
651 in a building~~[.]~~ ; and
652 (ii) ~~["Unit" includes]~~ a convertible space, in accordance with Subsection
653 57-8-13.4(3).

654 ~~[43]~~ (44) "Unit number" means the number, letter, or combination of numbers and letters
655 designating the unit in the declaration and in the record of survey map.

656 ~~[44]~~ (45) "Unit owner" means the person or persons owning a unit in fee simple and an
657 undivided interest in the fee simple estate of the common areas and facilities in the
658 percentage specified and established in the declaration or, in the case of a leasehold
659 condominium project, the person or persons whose leasehold interest or interests in the
660 condominium unit extend for the entire balance of the unexpired term or terms.

661 ~~[45]~~ (46) "Water wise landscaping" means:

662 (a) installation of plant materials, suited to the microclimate and soil conditions, that can:
663 (i) remain healthy with minimal irrigation once established; or
664 (ii) be maintained without the use of overhead spray irrigation;
665 (b) use of water for outdoor irrigation through proper and efficient irrigation design and
666 water application; or
667 (c) use of other landscape design features that:
668 (i) minimize the landscape's need for supplemental water from irrigation;
669 (ii) reduce the landscape area dedicated to lawn or turf; or
670 (iii) encourage vegetative coverage.

671 ~~[46]~~ (47) "Water wise plant material" means a plant material suited to water wise
672 landscaping.

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

674 **57-8-6.1 . Information required before sale to independent third party.**

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

677 (a) a copy of the association of unit owners' recorded governing documents; and
678 (b) a link or other access point to the [department's] educational materials described in
679 Subsection [57-8-13.1(6)] 13-79-103(4).
680 (2) The grantor shall provide the information described in Subsection (1) before closing.
681 (3) The association of unit owners shall, upon request by the grantor, provide to the grantor
682 the information described in Subsection (1).
683 (4) This section applies to each association of unit owners, regardless of when the
684 association of unit owners is formed.

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

686 **57-8-7.6 . Budget.**

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

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

706 **57-8-10 . Contents of declaration.**

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

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

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

715 (i) include a description of the land or interests in real property included within the
716 project;

717 (ii) contain a description of any buildings that states the number of storeys and
718 basements, the number of units, the principal materials of which the building is or
719 is to be constructed, and a description of all other significant improvements
720 contained or to be contained in the project;

721 (iii) contain the unit number of each unit, the square footage of each unit, and any
722 other description or information necessary to properly identify each unit;

723 (iv) describe the common areas and facilities of the project;[-and]

724 (v) describe any limited common areas and facilities and state to which units the use
725 of the common areas and facilities is reserved[.] ; and

726 (vi) include a statement that the project is:
727 (A) designated as a condominium project; and
728 (B) governed by this chapter.

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

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

735 (d)(i) The declaration shall include the percentage or fraction of undivided interest in
736 the common areas and facilities appurtenant to each unit and the unit owner for all
737 purposes, including voting, derived and allocated in accordance with Subsection
738 57-8-7(2).

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

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

744 (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

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

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

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

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

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

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

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

797 (v) state:

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

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

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

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

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

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

812 (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

983 governing associations of unit owners, including:]

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

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

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

989 **57-8-16.5 . Period of administrative control -- Renewal or ratification of
990 contracts -- Failure to establish association or committee -- Declarant responsibilities.**

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

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

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

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

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

999 (b) If the declaration authorizes the declarant to [appoint or remove some or all members
1000 of the management committee or some or all of the officers of the association of unit
1001 owners] conduct the actions described in Subsection (1)(a)(i) during the period of
1002 administrative control [contemplated by] described in this Subsection (1), the
1003 declarant may appoint the declarant's officers, employees or agents as members of the
1004 management committee or as officers of the association of unit owners.

1005 (c) [No] An amendment to the declaration [not consented to by all unit owners shall] may
1006 not increase the scope of [this authorization] the authorization described in Subsection
1007 (1)(b), unless all unit owners unanimously consent to the amendment.

1008 (d) [,] [and no such authorization shall be valid after the first to occur of the following]
1009 The authorization described in Subsection (1)(b) terminates on the day on which the
1010 first of the following occurs:

1011 (i) [expiration of] the time limit set by the declaration expires, [which shall] that may
1012 not exceed:

1013 (A) [six years in the case of] for an expandable condominium, six years[;] ;

1014 (B) [four years in the case of] for a condominium project containing any
1015 convertible land, four years[;] ; or

1016 (C) [three years in the case of] for any other condominium project, three years; or

1017 (ii) [after]units to which three-fourths of the undivided interest in the common areas
1018 and facilities appertain have been conveyed[;] ; or
1019 (iii) [-after]all additional land has been added to the project and all convertible land
1020 has been converted, whichever last occurs.

1021 (2) If entered into during the period of administrative control contemplated by Subsection
1022 (1), [no] a management contract, lease of recreational areas or facilities, or any other
1023 contract or lease designed to benefit the declarant which was executed by or on behalf of
1024 the association of unit owners or the unit owners as a group [shall be] is not binding after [
1025 such] the period of administrative control unless [then renewed or ratified by the consent
1026 of]unit owners of units to which a majority of the votes in the association of unit owners
1027 appertains renew and ratify the management contract, lease of recreational areas or
1028 facilities, or any other contract or lease designed to benefit the declarant.

1029 (3) If the association of unit owners or management committee is not in existence or does
1030 not have officers at the time of the creation of a condominium project, the declarant
1031 shall, until there is an association or management committee with these officers, have
1032 the power and responsibility to act in all instances where this [aet] chapter or the
1033 declaration requires action by the association of unit owners, the management
1034 committee, or any of the officers of [them] the association of unit owners or the
1035 management committee.

1036 (4) This section shall be strictly construed to protect the rights of the unit owners.

1037 (5) During the period of administrative control, the declarant shall:

1038 (a) use reasonable care and prudence in managing and maintaining the common areas
1039 and facilities;

1040 (b) establish a sound fiscal basis for the association by imposing and collecting
1041 assessments and establishing reserves for the maintenance and replacement of
1042 common areas and facilities;

1043 (c) for a service that the association is or will be obligated to provide, disclose to the unit
1044 owners the amount of money the declarant provides for or subsidizes for that service;

1045 (d) comply with and enforce the terms of the declaration, including design controls,
1046 land-use restrictions, and the payment of assessments; and

1047 (e) disclose to the unit owners all material facts and circumstances affecting:
1048 (i) the condition of the property that the association is responsible for maintaining;
1049 and
1050 (ii) the financial condition of the association, including the interest of the declarant

1051 and the declarant's affiliates in a contract, lease, or other agreement entered into
1052 by the association.

1053 Section 11. Section **57-8-17** is amended to read:

1054 **57-8-17 . Records -- Availability for examination.**

1055 (1)(a) Subject to Subsection (1)(b) and regardless of whether the association of unit
1056 owners is incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit
1057 Corporation Act, an association of unit owners shall keep and make available to unit
1058 owners:

1059 (i) each record identified in Subsections 16-6a-1601(1) through (5), in the manner
1060 described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605,
1061 16-6a-1606, and 16-6a-1610; and
1062 (ii) a copy of the association's:
1063 (A) governing documents;
1064 (B) most recent approved minutes;
1065 (C) most recent annual budget and financial statement;
1066 (D) most recent reserve analysis;
1067 (E) certificate of insurance for each insurance policy the association of unit
1068 owners holds;
1069 (F) management committee meeting minutes from the previous three calendar
1070 years;
1071 (G) [a-]profit and loss statement for the previous three fiscal years; and
1072 (H) [a-]balance sheet for the previous three fiscal years[.] ; and
1073 (I) monthly statement of the account described in Section 57-8-60.

1074 (b) An association of unit owners may redact the following information from any
1075 document the association of unit owners produces for inspection or copying:
1076 (i) a Social Security number;
1077 (ii) a bank account number; or
1078 (iii) any communication subject to attorney-client privilege.

1079 (c) The following are considered property of the association:

1080 (i) a record or document described in Subsection (1)(a)(i) or (ii); and
1081 (ii) unless otherwise provided in a management agreement, the funds contained in an
1082 account described in Section 57-8-60.

1083 (d) If a person other than the association of unit owners has control over or possession of
1084 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 Sub

(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;

1119 (C) the unit owner be allowed to bring any necessary imaging equipment to the
1120 place of inspection and make copies or electronic scans of the documents while
1121 inspecting the documents; or

1122 (D) the association of unit owners email the requested documents to an email
1123 address provided in the request.

1124 (4)(a) An association of unit owners shall comply with a request described in Subsection
1125 (3) within [two weeks] 10 business days after the day on which the association of unit
1126 owners receives the request.

1127 (b) If an association of unit owners produces the copies or electronic scans:

- 1128 (i) the copies or electronic scans shall be legible and accurate;
- 1129 (ii) the unit owner shall pay the association of unit owners the reasonable cost of the
1130 copies and for time spent meeting with the unit owner, which may not exceed:
 - 1131 (A) the actual cost that the association of unit owners paid to a recognized third
1132 party duplicating service to make the copies or electronic scans; or
 - 1133 (B) 10 cents per page and \$20 per hour for the employee's, manager's, or other
1134 agent's time making the copies or electronic scans; and
- 1135 (iii) the association may not charge the unit owner for any costs associated with
1136 fulfilling a request for the electronic transmission of the documents described in
1137 Subsection (3).

1138 (c) If a unit owner requests a recognized third party duplicating service make the copies
1139 or electronic scans:

- 1140 (i) the association of unit owners shall arrange for the delivery and pick up of the
1141 original documents; and
- 1142 (ii) the unit owner shall pay the duplicating service directly.

1143 (d) Subject to Subsection (9), if a unit owner requests to bring imaging equipment to the
1144 inspection, the association of unit owners shall provide the necessary space, light, and
1145 power for the imaging equipment.

1146 (e) An association may comply with a request described in Subsection (3) by posting the
1147 documents described in Subsection (3) to the association's website or online owner
1148 portal.

1149 (5) If, in response to a unit owner's request to inspect or copy documents, an association of
1150 unit owners fails to comply with a provision of this section, the association of unit
1151 owners shall pay:

- 1152 (a) the reasonable costs of inspecting and copying the requested documents;

1153 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the unit owner
1154 who made the request for each day the request continues unfulfilled, beginning the [
1155 ~~sixth day~~ eleventh business day after the day on which the unit owner made the
1156 request; and

1157 (c) reasonable attorney fees and costs [~~incurred by~~] that the unit owner incurs in
1158 obtaining the inspection and copies of the requested documents.

1159 (6)(a) In addition to any remedy in the association of unit owners' governing documents
1160 or as otherwise provided by law, a unit owner may file an action in court under this
1161 section if:

1162 (i) subject to Subsection (9), an association of unit owners fails to make documents
1163 available to the unit owner in accordance with this section, the association of unit
1164 owners' governing documents, or as otherwise provided by law; and

1165 (ii) the association of unit owners fails to timely comply with a notice described in
1166 Subsection (6)(d).

1167 (b) In an action described in Subsection (6)(a):

1168 (i) the unit owner may request:

1169 (A) injunctive relief requiring the association of unit owners to comply with the
1170 provisions of this section;

1171 (B) \$1,000 or actual [~~damage~~] damages, whichever is greater; or

1172 (C) any other relief provided by law; and

1173 (ii) the court may award costs and reasonable attorney fees to the prevailing party,
1174 including any reasonable attorney fees incurred before the action was filed that
1175 relate to the request that is the subject of the action.

1176 (c)(i) In an action described in Subsection (6)(a), upon motion by the unit owner
1177 made in accordance with Subsection (6)(b), notice to the association of unit
1178 owners, and a hearing in which the court finds a likelihood that the association of
1179 unit owners failed to comply with a provision of this section, the court shall order
1180 the association of unit owners to immediately comply with the provision.

1181 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days
1182 after the day on which the unit owner files the motion.

1183 (d) At least 10 days before the day on which a unit owner files an action described in
1184 Subsection (6)(a), the unit owner shall deliver a written notice to the association of
1185 unit owners that states:

1186 (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

- (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 and facilities results in a person other than the association owning the portion of the common areas and facilities.

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

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

- (a) as allowed for convertible land or convertible space within a condominium project;[
or]
- (b) as provided in Section 10-20-809 or 17-79-709[.] ; or
- (c) if the declarant sells a part of the common areas and facilities to:
 - (i) a county, as that term is defined in Section 17-60-101;
 - (ii) a municipality, as that term is defined in Section 10-1-104; or
 - (iii) the Department of Transportation, created in Section 72-1-201.

(6) Unless otherwise prohibited by the association's declaration or bylaws, an authorized representative of the association may act as attorney-in-fact for the association's unit owners in executing a sale, conveyance, transfer, or other disposition of the common areas and facilities following an affirmative vote described in Subsection (1).

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

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

- (1) Remedies provided in this chapter, by law, or in equity are not mutually exclusive.
- (2) 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 57-8a-107;
 - (c) the association's declaration does not state whether this chapter or Chapter 8, Condominium Ownership Act, applies; or
 - (d) the board adopts a resolution that states that this chapter applies.
- (3) This section applies regardless of when an association is created.

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

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

(1) As used in this section, "department" means the Department of Commerce created in 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) [eontact 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

1289 with the updated registration requirement of Subsection (5) does not begin until after
1290 the expiration of the 90-day period specified in Subsection (2) or (5), respectively.

1291 (c) An association that is not in compliance with the registration requirement described
1292 in Subsection (2) may end the period of noncompliance by registering with the
1293 department in the manner [established by] that the department establishes under
1294 Subsection (2).

1295 (d) An association that is not in compliance with the updated registration requirement
1296 described in Subsection (5) may end the period of noncompliance by submitting to
1297 the department an updated registration in the manner [established by] that the
1298 department establishes under Subsection (5).

1299 (e) Except as described in Subsection (6)(f), beginning on the date an association ends a
1300 period of noncompliance:
1301 (i) a lien may arise under Section 57-8a-301 for any event that:
1302 (A) occurred during the period of noncompliance; and
1303 (B) would have given rise to a lien under Section 57-8a-301 had the association
1304 been in compliance with the registration requirements described in this section;
1305 and
1306 (ii) an association may enforce a lien described in this Subsection (6)(e) or a lien that
1307 existed before the period of noncompliance.

1308 (f) If an owner's residential lot is conveyed to an independent third party during a period
1309 of noncompliance described in this Subsection (6):
1310 (i) a lien that arose under Section 57-8a-301 before the conveyance of the residential
1311 lot became final is extinguished when the conveyance of the residential lot
1312 becomes final; and
1313 (ii) an event that occurred before the conveyance of the residential lot became final,
1314 and that would have given rise to a lien under Section 57-8a-301 had the
1315 association been in compliance with the registration requirements of this section,
1316 may not give rise to a lien under Section 57-8a-301 if the conveyance of the
1317 residential lot becomes final before the association ends the period of
1318 noncompliance.

1319 [(7) The department shall publish educational materials on the department's website
1320 providing, in simple and easy to understand language, a brief overview of state law
1321 governing associations, including:]
1322 [(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

1357 [§] (k)(i) an appointment of a trustee who qualifies under Subsection 57-1-21(1)(a)(i)
1358 or (iv); and
1359 (ii) the following statement: "The declarant hereby conveys and warrants pursuant to
1360 U.C.A. Sections 57-1-20 and 57-8a-302 to (name of trustee), with power of sale,
1361 the lot and all improvements to the lot for the purpose of securing payment of
1362 assessments under the terms of the declaration."

1363 (2) A declaration may contain any other information the declarant considers appropriate,
1364 including any a restriction on the use of a lot, the number of persons who may occupy a
1365 lot, or other qualifications of a person who may occupy a lot.
1366 (3) The location of a limited common area or real estate described in Subsection (1)(g) may
1367 be shown on a subdivision plat.

1368 Section 17. Section **57-8a-227** is amended to read:

1369 **57-8a-227 . Records -- Availability for examination.**

1370 (1)(a) Subject to Subsection (1)(b) and regardless of whether the association is
1371 incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, an
1372 association shall keep and make available to lot owners:

1373 (i) each record identified in Subsections 16-6a-1601(1) through (5), in the manner
1374 described in Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605,
1375 16-6a-1606, and 16-6a-1610; and
1376 (ii) a copy of the association's:
1377 (A) governing documents;
1378 (B) most recent approved minutes;
1379 (C) most recent annual budget and financial statement;
1380 (D) most recent reserve analysis;
1381 (E) certificate of insurance for each insurance policy the association holds;
1382 (F) board meeting minutes from the previous three calendar years;
1383 (G) [a-]profit and loss statement for the previous three fiscal years;[and]
1384 (H) [a-]balance sheet for the previous three fiscal years;and
1385 (I) monthly statement of the account described in Section 57-8a-230.

1386 (b) An association may redact the following information from any document the
1387 association produces for inspection or copying:
1388 (i) a Social Security number;
1389 (ii) a bank account number; or
1390 (iii) any communication subject to attorney-client privilege.

1391 (c) The following are considered property of the association:

1392 (i) a record or document described in Subsection (1)(a)(i) or (ii); and

1393 (ii) unless otherwise provided in a management agreement, the funds contained in an
1394 account described in Section 57-8a-230.

1395 (d) If a person other than the association has control over or possession of a record
1396 described in Subsection (1)(a)(i) or (ii), the person shall, upon the association's
1397 request, provide the record to the association without charge.

1398 (2)(a) In addition to the requirements described in Subsection (1), an association shall:

1399 (i) make documents available to lot owners in accordance with the association's
1400 governing documents; and

1401 (ii)(A) if the association has an active website, make the documents described in
1402 Subsections (1)(a)(ii)(A) through (C) available to lot owners, free of charge,
1403 through the website; or

1404 (B) if the association does not have an active website, make physical copies of the
1405 documents described in Subsections (1)(a)(ii)(A) through (C) available to lot
1406 owners during regular business hours at the association's address registered
1407 with the Department of Commerce under Section 57-8a-105.

1408 (b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.

1409 (c) If a provision of an association's governing documents conflicts with a provision of
1410 this section, the provision of this section governs.

1411 (3) In a written request to inspect or copy documents:

1412 (a) a lot owner shall include:

1413 (i) the association's name;

1414 (ii) the lot owner's name;

1415 (iii) the lot owner's property address;

1416 (iv) the lot owner's email address;

1417 (v) a description of the documents requested; and

1418 (vi) any election or request described in Subsection (3)(b); and

1419 (b) a lot owner may:

1420 (i) elect whether to inspect or copy the documents;

1421 (ii) if the lot owner elects to copy the documents, request hard copies or electronic
1422 scans of the documents; or

1423 (iii) subject to Subsection (4), request that:

1424 (A) the association make the copies or electronic scans of the requested

1425 documents;

1426 (B) a recognized third party duplicating service make the copies or electronic
1427 scans of the requested documents;

1428 (C) the lot owner be allowed to bring any necessary imaging equipment to the
1429 place of inspection and make copies or electronic scans of the documents while
1430 inspecting the documents; or

1431 (D) the association email the requested documents to an email address provided in
1432 the request.

1433 (4)(a) An association shall comply with a request described in Subsection (3) within [
1434 ~~two weeks~~] 10 business days after the day on which the association receives the
1435 request.

1436 (b) If an association produces the copies or electronic scans:

1437 (i) the copies or electronic scans shall be legible and accurate;

1438 (ii) the lot owner shall pay the association the reasonable cost of the copies and for
1439 time spent meeting with the lot owner, which may not exceed:
1440 (A) the actual cost that the association paid to a recognized third party duplicating
1441 service to make the copies or electronic scans; or
1442 (B) 10 cents per page and \$20 per hour for the employee's, manager's, or other
1443 agent's time; and
1444 (iii) the association may not charge the lot owner for any costs associated with
1445 fulfilling a request for electronic transmission of the documents described in
1446 Subsection (3).

1447 (c) If a lot owner requests a recognized third party duplicating service make the copies
1448 or electronic scans:

1449 (i) the association shall arrange for the delivery and pick up of the original
1450 documents; and
1451 (ii) the lot owner shall pay the duplicating service directly.

1452 (d) If a lot owner requests to bring imaging equipment to the inspection, the association
1453 shall provide the necessary space, light, and power for the imaging equipment.

1454 (e) An association may fulfill the request described in Subsection (3) by posting the
1455 documents described in Subsection (3) to the association's website or online owner
1456 portal.

1457 (5) Subject to Subsection (9), if, in response to a lot owner's request to inspect or copy
1458 documents, an association fails to comply with a provision of this section, the

1459 association shall pay:

1460 (a) the reasonable costs of inspecting and copying the requested documents;

1461 (b) for items described in Subsections (1)(a)(ii)(A) through (C), \$25 to the lot owner
1462 who made the request for each day the request continues unfulfilled, beginning the [
1463 ~~sixth~~] eleventh business day after the day on which the lot owner made the request;
1464 and

1465 (c) reasonable attorney fees and costs incurred by the lot owner in obtaining the
1466 inspection and copies of the requested documents.

1467 (6)(a) In addition to any remedy in the association's governing documents or otherwise
1468 provided by law, a lot owner may file an action in court against the association under
1469 this section if:

1470 (i) subject to Subsection (9), an association fails to make documents available to the
1471 lot owner in accordance with this section, the association's governing documents,
1472 or as otherwise provided by law; and

1473 (ii) the association fails to timely comply with a notice described in Subsection (6)(d).

1474 (b) In an action described in Subsection (6)(a):

1475 (i) the lot owner may request:

1476 (A) injunctive relief requiring the association to comply with the provisions of this
1477 section;

1478 (B) \$1,000 or actual damage, whichever is greater; or

1479 (C) any other relief provided by law; and

1480 (ii) the court may award costs and reasonable attorney fees to the prevailing party,
1481 including any reasonable attorney fees incurred before the action was filed that
1482 relate to the request that is the subject of the action.

1483 (c)(i) In an action described in Subsection (6)(a), upon motion by the lot owner made
1484 in accordance with Subsection (6)(b), notice to the association, and a hearing in
1485 which the court finds a likelihood that the association failed to comply with a
1486 provision of this section, the court shall order the association to immediately
1487 comply with the provision.

1488 (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days
1489 after the day on which the lot owner files the motion.

1490 (d) At least 10 days before the day on which a lot owner files an action described in
1491 Subsection (6)(a), the lot owner shall deliver a written notice to the association that
1492 states:

1493 (i) the lot owner's name, address, telephone number, and email address;
1494 (ii) each requirement of this section with which the association has failed to comply;
1495 (iii) a demand that the association comply with each requirement with which the
1496 association has failed to comply; and
1497 (iv) a date by which the association shall remedy the association's noncompliance
1498 that is at least 10 days after the day on which the lot owner delivers the notice to
1499 the association.

1500 (7)(a) The provisions of Section 16-6a-1604 do not apply to an association.
1501 (b) The provisions of this section apply regardless of any conflicting provision in Title
1502 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
1503 (8) A lot owner's agent may, on the lot owner's behalf, exercise or assert any right that the
1504 lot owner has under this section.
1505 (9) An association is not liable for identifying or providing a document in error, if the
1506 association identified or provided the erroneous document in good faith.

1507 Section 18. Section **57-8a-232** is amended to read:

1508 **57-8a-232 . Sale of common areas.**

1509 (1) Subject to Subsection 10-20-809(5) or 17-79-709(5), unless otherwise provided in the
1510 governing documents, an association may by an affirmative vote of at least 67% of the
1511 voting interests of the association, elect to sell, convey, transfer, or otherwise dispose of
1512 all or part of the common areas.
1513 (2) An affirmative vote described in Subsection (1) is binding upon all lot owners, and each
1514 lot owner shall execute and deliver the appropriate instruments and perform all acts as
1515 necessary to effect the sale, conveyance, transfer, or other disposition of the common
1516 areas.
1517 (3) The general easement of ingress, egress, and use of the common areas and facilities
1518 granted to an association and lot owners through recorded governing documents is
1519 extinguished in any portion of the common areas the association sells, conveys,
1520 transfers, or otherwise disposes of, if:
1521 (a) the lot owners, in selling, conveying, transferring, or otherwise disposing of the
1522 portion of the common areas, comply with:
1523 (i) the provisions of this section; and
1524 (ii) Section 10-20-809 or 17-79-709; and
1525 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
1526 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.