

## Chapter 25 Uniform Environmental Covenants Act

### 57-25-101 Title -- Scope.

- (1) This chapter is known as the "Uniform Environmental Covenants Act."
- (2)
  - (a) This chapter applies to an environmental covenant created on or after May 1, 2006.
  - (b) Title 19, Chapter 10, Environmental Institutional Control Act, applies to an environmental covenant created before May 1, 2006.
- (3) For the purposes of this chapter and Title 19, Chapter 10, Environmental Institutional Control Act, an environmental institutional control, as defined in Section 19-10-102, is considered an environmental covenant.

Enacted by Chapter 51, 2006 General Session

### 57-25-102 Definitions.

As used in this chapter:

- (1) "Activity and use limitations" means restrictions or obligations created under this chapter with respect to real property.
- (2) "Agency" means the Utah Department of Environmental Quality or other state or federal agency that determines or approves the environmental response project under which the environmental covenant is created.
- (3) "Common interest community" means a condominium, cooperative, or other real property with respect to which a person, by virtue of the person's ownership of a parcel of real property, is obligated to pay property taxes or insurance premiums, or for maintenance, or improvement of other real property described in a recorded covenant that creates the common interest community.
- (4) "Environmental covenant" means a servitude arising under an environmental response project that imposes activity and use limitations.
- (5) "Environmental response project" means a plan, risk assessment, or work performed for environmental remediation of real property or surface and groundwater on or beneath the real property and conducted:
  - (a) under a federal or state program governing environmental remediation of real property, including under Title 19, Environmental Quality Code;
  - (b) incident to closure of a solid or hazardous waste management unit, if the closure is conducted with approval of an agency; or
  - (c) under the state voluntary clean-up program authorized in Title 19, Chapter 8, Voluntary Cleanup Program.
- (6) "Holder" means the grantee of an environmental covenant as specified in Subsection 57-25-103(1).
- (7) "Jurisdiction" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
- (8) "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Enacted by Chapter 51, 2006 General Session

**57-25-103 Nature of rights -- Subordination of interests.**

- (1)
  - (a) Any person, including a person that owns an interest in the real property, the agency, or a municipality or other unit of local government, may be a holder.
  - (b) An environmental covenant may identify more than one holder.
  - (c) The interest of a holder is an interest in real property.
- (2) A right of an agency under this chapter or under an environmental covenant, other than a right as a holder, is not an interest in real property.
- (3)
  - (a) An agency is bound by any obligation it affirmatively assumes in an environmental covenant, but an agency does not assume obligations merely by signing an environmental covenant.
  - (b) Any other person that signs an environmental covenant is bound by the obligations the person assumes in the covenant, but signing the covenant does not change obligations, rights, or protections granted or imposed under law other than this chapter except as provided in the covenant.
- (4) The following requirements apply to interests in real property in existence at the time an environmental covenant is created or amended:
  - (a) An interest that has priority under other law is not affected by an environmental covenant unless the person that owns the interest subordinates that interest to the covenant.
  - (b) This chapter does not require a person that owns a prior interest to subordinate that interest to an environmental covenant or to agree to be bound by the covenant.
  - (c)
    - (i) A subordination agreement may be contained in an environmental covenant covering real property or in a separate record.
    - (ii) If the environmental covenant covers commonly owned property in a common interest community, the record may be signed by any person authorized by the governing board of the owners' association.
  - (d) An agreement by a person to subordinate a prior interest to an environmental covenant affects the priority of that person's interest but does not by itself impose any affirmative obligation on the person with respect to the environmental covenant.

Enacted by Chapter 51, 2006 General Session

**57-25-104 Contents of environmental covenant.**

- (1) An environmental covenant must:
  - (a) state that the instrument is an environmental covenant executed under this chapter;
  - (b) contain a legally sufficient description of the real property subject to the covenant;
  - (c) describe the activity and use limitations on the real property;
  - (d) identify every holder;
  - (e) be signed by the agency, every holder, and unless waived by the agency, every owner of the fee simple of the real property subject to the covenant; and
  - (f) identify the name and location of any administrative record for the environmental response project reflected in the environmental covenant.
- (2) In addition to the information required by Subsection (1), an environmental covenant may contain other information, restrictions, and requirements agreed to by the persons who signed it, including any:

- (a) requirements for notice following transfer of a specified interest in, or concerning proposed changes in use of, applications for building permits for, or proposals for any site work affecting the contamination on, the property subject to the covenant;
  - (b) requirements for periodic reporting describing compliance with the covenant;
  - (c) rights of access to the property granted in connection with implementation or enforcement of the covenant;
  - (d) a brief narrative description of the contamination and remedy, including:
    - (i) the contaminants of concern;
    - (ii) the pathways of exposure;
    - (iii) limits on exposure; and
    - (iv) the location and extent of the contamination;
  - (e) limitation on amendment or termination of the covenant in addition to those contained in Sections 57-25-109 and 57-25-110; and
  - (f) rights of the holder in addition to its right to enforce the covenant under Section 57-25-111.
- (3) In addition to other conditions for its approval of an environmental covenant, the agency may require those persons specified by the agency who have interests in the real property to sign the covenant.

Enacted by Chapter 51, 2006 General Session

**57-25-105 Validity -- Effect on other instruments.**

- (1) An environmental covenant that complies with this chapter runs with the land.
- (2) An environmental covenant that is otherwise effective is valid and enforceable even if:
  - (a) it is not appurtenant to an interest in real property;
  - (b) it can be or has been assigned to a person other than the original holder;
  - (c) it is not of a character that has been recognized traditionally at common law;
  - (d) it imposes a negative burden;
  - (e) it imposes an affirmative obligation on a person having an interest in the real property or on the holder;
  - (f) the benefit or burden does not touch or concern real property;
  - (g) there is no privity of estate or contract;
  - (h) the holder dies, ceases to exist, resigns, or is replaced; or
  - (i) the owner of an interest subject to the environmental covenant and the holder are the same person.
- (3)
  - (a) An instrument that creates restrictions or obligations with respect to real property that would qualify as activity and use limitations except for the fact that the instrument was recorded before the effective date of this chapter is not invalid or unenforceable because of any of the limitations on enforcement of interests described in Subsection (2) or because it was identified as an easement, servitude, deed restriction, or other interest.
  - (b) This chapter does not apply in any other respect to an instrument covered under Subsection (3)(a).
- (4) This chapter does not invalidate or render unenforceable any interest, whether designated as an environmental covenant or other interest, that is otherwise enforceable under Utah law.

Enacted by Chapter 51, 2006 General Session

**57-25-106 Relationship to other land use law.**

- (1) This chapter does not authorize a use of real property that is otherwise prohibited by:
  - (a) a zoning law;
  - (b) law other than this chapter regulating use of real property; or
  - (c) a recorded instrument that has priority over the environmental covenant.
- (2) An environmental covenant may prohibit or restrict uses of real property that are authorized by zoning or by law other than this chapter.

Enacted by Chapter 51, 2006 General Session

**57-25-107 Notice.**

- (1) A copy of an environmental covenant shall be provided by the persons and in the manner required by the agency to:
  - (a) each person that signed the covenant;
  - (b) each person holding a recorded interest in the real property subject to the covenant;
  - (c) each person in possession of the real property subject to the covenant;
  - (d) each municipality or other unit of local government in which real property subject to the covenant is located; and
  - (e) any other person that the agency requires.
- (2) The validity of a covenant is not affected by failure to provide a copy of the covenant as required under this section.

Enacted by Chapter 51, 2006 General Session

**57-25-108 Recording.**

- (1)
  - (a) An environmental covenant and any amendment or termination of the covenant must be recorded in every county in which any portion of the real property subject to the covenant is located.
  - (b) For purposes of indexing, a holder shall be treated as a grantee.
- (2) Except as otherwise provided in Subsection 57-25-109(3), an environmental covenant is subject to Utah laws governing recording and priority of interests in real property.

Enacted by Chapter 51, 2006 General Session

**57-25-109 Duration -- Amendment by court action.**

- (1) An environmental covenant is perpetual unless it is:
  - (a)
    - (i) limited to a specific duration by its terms; or
    - (ii) terminated by the occurrence of a specific event;
  - (b) terminated by consent under Section 57-25-110;
  - (c) terminated under Subsection (2);
  - (d) terminated by foreclosure of an interest that has priority over the environmental covenant; or
  - (e) terminated or modified in an eminent domain proceeding, but only if:
    - (i) the agency that signed the covenant is a party to the proceeding;
    - (ii) all persons identified in Subsections 57-25-110(1) and (2) are given notice of the pendency of the proceeding; and
    - (iii) the court determines, after hearing, that the termination or modification will not adversely affect human health or the environment.

- (2)
  - (a) If the agency that signed an environmental covenant has determined that the intended benefits of the covenant can no longer be realized, a court, under the doctrine of changed circumstances, in an action in which all persons identified in Subsections 57-25-110(1) and (2) have been given notice, may terminate the covenant or reduce its burden on the real property subject to the covenant.
  - (b) The Department of Environmental Quality's determination under Subsection (2)(a) or its failure to make a determination upon request is subject to review under Title 63G, Chapter 4, Administrative Procedures Act.
  - (c) A federal agency's determination under Subsection (2)(a) or its failure to make a determination upon request is subject to review under applicable federal law.
- (3) Except as otherwise provided in Subsections (1) and (2), an environmental covenant may not be extinguished, limited, or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, or acquiescence, or a similar doctrine.
- (4) An environmental covenant may not be extinguished, limited, or impaired by application of Title 57, Chapter 9, Marketable Record Title.

Amended by Chapter 382, 2008 General Session

**57-25-110 Amendment or termination by consent.**

- (1) An environmental covenant may be amended or terminated by consent only if the amendment or termination is signed by:
  - (a) the agency;
  - (b) unless waived by the agency, the current owner of the fee simple of the real property subject to the covenant;
  - (c) each person that originally signed the covenant, unless:
    - (i) the person waived in a signed record the right to consent;
    - (ii) the executive director of the Department of Environmental Quality finds that the person:
      - (A) no longer exists;
      - (B) is not legally competent to sign the amendment or termination; or
      - (C) cannot be located or identified with the exercise of reasonable diligence; or
    - (iii) a court finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence; and
  - (d) except as otherwise provided in Subsection (4)(b), the holder.
- (2) If an interest in real property is subject to an environmental covenant, the interest is not affected by an amendment of the covenant unless the current owner of the interest consents to the amendment or has waived in a signed record the right to consent to amendments.
- (3) Except for an assignment undertaken under a governmental reorganization, assignment of an environmental covenant to a new holder is an amendment.
- (4) Except as otherwise provided in an environmental covenant:
  - (a) a holder may not assign its interest without consent of the other parties; and
  - (b) a holder may be removed and replaced by agreement of the other parties specified in Subsection (1).
- (5) A court of competent jurisdiction may fill a vacancy in the position of holder.
- (6) A person required by Subsection (1) to sign the amendment or termination may authorize in writing another person to sign the amendment or termination on the person's behalf.

Enacted by Chapter 51, 2006 General Session

**57-25-111 Enforcement of environmental covenant.**

- (1) A civil action for injunctive or other equitable relief for violation of an environmental covenant may be maintained by:
  - (a) a party to the covenant;
  - (b) the agency;
  - (c) any person to whom the covenant expressly grants power to enforce;
  - (d) a person whose interest in the real property or whose collateral or liability may be affected by the alleged violation of the covenant; or
  - (e) a municipality or other unit of local government in which the real property subject to the covenant is located.
- (2) This chapter does not limit the regulatory authority of the agency under law other than this chapter with respect to an environmental response project.
- (3) A person is not responsible for or subject to liability for environmental remediation solely because the person has the right to enforce an environmental covenant.
- (4) In addition to Subsection (1), an agency may recover its costs for actions which, in its discretion, it may take to enforce or protect the environmental covenant.

Enacted by Chapter 51, 2006 General Session

**57-25-112 Uniformity of application and construction.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among jurisdictions that enact it.

Enacted by Chapter 51, 2006 General Session

**57-25-113 Relation to Electronic Signatures in Global and National Commerce Act.**

This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede Section 101 of that Act, 15 U.S.C. Section 7001(a), or authorize electronic delivery of any of the notices described in Section 103 of that Act, 15 U.S.C. Section 7003(b).

Enacted by Chapter 51, 2006 General Session

**57-25-114 Severability.**

If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

Enacted by Chapter 51, 2006 General Session