

**Effective 5/7/2025**

**57-8-10.1 Rental restrictions.**

- (1)
  - (a) Subject to Subsections (1)(b), (5), and (6), an association of unit owners may:
    - (i) create restrictions on the number and term of rentals in a condominium project; or
    - (ii) prohibit rentals in the condominium project.
  - (b) Except as provided in Subsection (1)(c), an association of unit owners that creates a rental restriction or prohibition in accordance with Subsection (1)(a) shall create the rental restriction or prohibition in a declaration or by amending the declaration.
  - (c) An association may establish, by rule, a minimum lease term of six months or less.
- (2) If an association of unit owners prohibits or imposes restrictions on the number and term of rentals or charges a fee described in Subsection (9)(c), the association of unit owners shall:
  - (a) exempt the following from the prohibition, restriction, or fee:
    - (i) a unit owner in the military for the period of the unit owner's deployment;
    - (ii) a unit occupied by a unit owner's parent, child, or sibling;
    - (iii) a unit owner whose employer has relocated the unit owner for two years or less;
    - (iv) a unit owned by an entity that is occupied by an individual who:
      - (A) has voting rights under the entity's organizing documents; and
      - (B) has a 25% or greater share of ownership, control, and right to profits and losses of the entity; or
    - (v) a unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of:
      - (A) a current resident of the unit; or
      - (B) the parent, child, or sibling of the current resident of the unit;
  - (b) allow a unit owner who has a rental in the condominium project before the time the rental restriction described in Subsection (1)(a) is recorded with the county recorder of the county in which the condominium project is located to continue renting without a fee described in Subsection (9)(c) until:
    - (i) the unit owner occupies the unit;
    - (ii) an officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the unit, occupies the unit; or
    - (iii) the unit is transferred; and
  - (c) create, by rule or resolution, procedures to:
    - (i) determine and track the number of rentals and units in the condominium project subject to the provisions described in Subsections (2)(a) and (b); and
    - (ii) ensure consistent administration and enforcement of any rental prohibition, restriction, or fee.
- (3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the following occur:
  - (a) the conveyance, sale, or other transfer of a unit by deed;
  - (b) the granting of a life estate in the unit; or
  - (c) if the unit is owned by a limited liability company, corporation, partnership, or other business entity, the sale or transfer of more than 75% of the business entity's share, stock, membership interests, or partnership interests in a 12-month period.
- (4) This section does not limit or affect residency age requirements for an association of unit owners that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec. 3607.

- (5) A declaration or amendment to a declaration recorded before transfer of the first unit from the initial declarant may prohibit or restrict rentals without providing for the exceptions, provisions, and procedures required under Subsection (2).
- (6)
  - (a) Subsections (1) through (5) do not apply to:
    - (i) a condominium project that contains a time period unit as defined in Section 57-8-3;
    - (ii) any other form of timeshare interest as defined in Section 57-19-2; or
    - (iii) subject to Subsection (6)(b), a condominium project in which the initial declaration is recorded before May 12, 2009, unless, on or after May 12, 2015, the association of unit owners:
      - (A) adopts a rental restriction or prohibition; or
      - (B) amends an existing rental restriction or prohibition.
  - (b) An association that adopts a rental restriction or amends an existing rental restriction or prohibition before May 9, 2017, is not required to include the exemption described in Subsection (2)(a)(iv).
- (7) Notwithstanding this section, an association of unit owners may restrict or prohibit rentals without an exception described in Subsection (2) if:
  - (a) the restriction or prohibition receives unanimous approval by all unit owners; and
  - (b) when the restriction or prohibition requires an amendment to the association of unit owners' declaration, the association of unit owners fulfills all other requirements for amending the declaration described in the association of unit owners' governing documents.
- (8) Except as provided in Subsection (9), an association of unit owners may not require a unit owner who owns a rental unit to:
  - (a) obtain the association of unit owners' approval of a prospective renter;
  - (b) give the association of unit owners:
    - (i) a copy of a rental application;
    - (ii) a copy of a renter's or prospective renter's credit information or credit report;
    - (iii) a copy of a renter's or prospective renter's background check; or
    - (iv) documentation to verify the renter's age;
  - (c) pay an additional assessment, fine, or fee because the unit is a rental unit;
  - (d) use a lease agreement provided by the association; or
  - (e) obtain the association's approval of a lease agreement.
- (9)
  - (a) A unit owner who owns a rental unit shall give an association of unit owners the documents described in Subsection (8)(b) if the unit owner is required to provide the documents by court order or as part of discovery under the Utah Rules of Civil Procedure.
  - (b) If an association of unit owners' declaration lawfully prohibits or restricts occupancy of the units by a certain class of individuals, the association of unit owners may require a unit owner who owns a rental unit to give the association of unit owners the information described in Subsection (8)(b), if:
    - (i) the information helps the association of unit owners determine whether the renter's occupancy of the unit complies with the association of unit owners' declaration; and
    - (ii) the association of unit owners uses the information to determine whether the renter's occupancy of the unit complies with the association of unit owners' declaration.
  - (c) Subject to Subsection (9)(d), an association that permits at least 35% of the units in the association to be rental units may charge a unit owner who owns a rental unit a fee of up to \$200 once every 12 months to defray the association's additional administrative expenses directly related to a unit that is a rental unit, as detailed in a notice provided to the unit owner.

- (d) Before an association may charge a fee described in Subsection (9)(c), an association shall:
  - (i) provide notice to each unit owner in the association of a management committee meeting described in Subsection (9)(d)(ii) 15 days before the day on which the association holds the management committee meeting;
  - (ii) hold a management committee meeting to discuss and allow unit members to publicly comment on:
    - (A) the new administrative expenses that the association intends to cover using the funds from the fee; and
    - (B) the circumstances that required the association to impose or increase the fee; and
  - (iii) ensure that during the management committee meeting described in Subsection (9)(d)(ii), the management committee approves the fee by a majority vote.
- (e) An association may require a unit owner who owns a rental unit and the renter of the unit owner's rental unit to sign an addendum to a lease agreement provided by the association.
- (10) The provisions of Subsections (8) and (9) apply to an association of unit owners regardless of when the association of unit owners is created.
- (11) Within 30 days after the day on which the association imposes a fee described in Subsection (9)(c), an association shall provide to each unit owner impacted by the fee a notice describing:
  - (a) the new administrative expenses that the association intends to cover using the funds from the fee; and
  - (b) the circumstances that required the association to impose or increase the fee.
- (12)
  - (a) A unit owner may contest a fee described in Subsection (9)(c) by providing to the association a written request that the association waive the fee if:
    - (i) the association fails to provide the notice described in Subsection (11) within 30 days after the day on which the association imposes the fee; or
    - (ii) the notice the association provides to the unit owner does not contain the information required in Subsection (11).
  - (b) If a unit owner contests a fee under this Subsection (12) by submitting a written request, an association shall waive the fee if:
    - (i) the association does not provide the notice described in Subsection (11) to the unit owner; or
    - (ii) a notice provided by the association does not contain the information required in Subsection (11).
- (13)
  - (a) A unit owner of a rental unit may designate, in a written notice to the association, a primary contact individual who is not the unit owner with whom the association may communicate as though the primary contact individual is the unit owner.
  - (b) If a unit owner designates a primary contact individual under this Subsection (13), the association shall provide the unit owner a written notice that confirms the association has changed the association's records to identify the primary contact individual designated by the unit owner.

Amended by Chapter 453, 2025 General Session