

Effective 5/6/2026

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

- (1)
 - (a) The declaration may authorize the declarant, a managing agent, or a person that the declarant selects, to:
 - (i) appoint and remove some or all of:
 - (A) the members of the management committee; or
 - (B) the officers of the association of unit owners; or
 - (ii) exercise powers and responsibilities otherwise assigned by the declaration and by this chapter to the association of unit owners, the association's officers, or the management committee.
 - (b) If the declaration authorizes the declarant to conduct the actions described in Subsection (1)(a)(i) during the period of administrative control described in this Subsection (1), the declarant may appoint the declarant's officers, employees or agents as members of the management committee or as officers of the association of unit owners.
 - (c) An amendment to the declaration may not increase the scope of the authorization described in Subsection (1)(b), unless all unit owners unanimously consent to the amendment.
 - (d) The authorization described in Subsection (1)(b) terminates on the day on which the first of the following occurs:
 - (i) the time limit set by the declaration expires, that may not exceed:
 - (A) for an expandable condominium, six years;
 - (B) for a condominium project containing any convertible land, four years; or
 - (C) for any other condominium project, three years;
 - (ii) units to which three-fourths of the undivided interest in the common areas and facilities appertain have been conveyed; or
 - (iii) all additional land has been added to the project and all convertible land has been converted, whichever last occurs.
- (2) If entered into during the period of administrative control contemplated by Subsection (1), a management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the declarant which was executed by or on behalf of the association of unit owners or the unit owners as a group is not binding after the period of administrative control unless unit owners of units to which a majority of the votes in the association of unit owners appertains renew and ratify the management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the declarant.
- (3) If the association of unit owners or management committee is not in existence or does not have officers at the time of the creation of a condominium project, the declarant shall, until there is an association or management committee with these officers, have the power and responsibility to act in all instances where this chapter or the declaration requires action by the association of unit owners, the management committee, or any of the officers of the association of unit owners or the management committee.
- (4) This section shall be strictly construed to protect the rights of the unit owners.
- (5) During the period of administrative control, the declarant shall:
 - (a) use reasonable care and prudence in managing and maintaining the common areas and facilities;
 - (b) establish a sound fiscal basis for the association by imposing and collecting assessments and establishing reserves for the maintenance and replacement of common areas and facilities;

- (c) for a service that the association is or will be obligated to provide, disclose to the unit owners the amount of money the declarant provides for or subsidizes for that service;
- (d) comply with and enforce the terms of the declaration, including design controls, land-use restrictions, and the payment of assessments; and
- (e) disclose to the unit owners all material facts and circumstances affecting:
 - (i) the condition of the property that the association is responsible for maintaining; and
 - (ii) the financial condition of the association, including the interest of the declarant and the declarant's affiliates in a contract, lease, or other agreement entered into by the association.

Amended by Chapter 62, 2026 General Session