

Effective 5/6/2026

57-8a-502 Period of administrative control.

- (1) Unless otherwise provided for in a declaration and subject to Subsections (2) and (6), a period of administrative control terminates 60 days after the day on which 80% of the lots that may be created in the association are conveyed to lot owners other than a declarant.
- (2) Notwithstanding Subsection (1) and subject to Subsection (6), the period of administrative control terminates no later than the earlier of:
 - (a) the day on which the declarant no longer owns any lot and no longer possesses any development right; or
 - (b) seven years after the day on which a declarant has ceased to offer lots, including lots that may be created, for sale in the ordinary course of business.
- (3)
 - (a) A declarant may voluntarily surrender the right to appoint and remove a member of the board before the period of administrative control terminates under Subsection (1).
 - (b) Subject to Subsection (3)(a), the declarant may require, for the duration of the period of administrative control, that actions of the association or board, as specified in a recorded instrument executed by the declarant, be approved by the declarant before they become effective.
 - (c) During a period of administrative control, except as provided in Subsection (3)(a), a declarant may appoint the declarant's officers, employees, or agents as members of the board.
- (4)
 - (a) Upon termination of the period of administrative control, the lot owners shall elect a board consisting of an odd number of at least three members, a majority of whom shall be lot owners.
 - (b) Unless the declaration provides for the election of officers by the lot owners, the board shall elect officers of the association.
 - (c) The board members and officers shall take office upon election or appointment.
- (5) During the period of administrative control, the declarant shall:
 - (a) use reasonable care and prudence in managing and maintaining the common areas;
 - (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;
 - (c) for a service that the association is or will be obligated to provide, disclose to the lot owners the amount of money the declarant provides for or subsidizes for that service;
 - (d) maintain records and account for the financial affairs of the association from the association's inception;
 - (e) comply with and enforce the terms of the declaration, including design controls, land-use restrictions, and the payment of assessments; and
 - (f) disclose to the lot 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 any contract, lease, or other agreement entered into by the association.
- (6)
 - (a) As used in this Subsection (6), "large master planned development" means the same as that term is defined in Section 57-1-46.
 - (b) For a large master planned development, the day on which the period of administrative control terminates under Subsection (1) or (2) may be extended by 300 days to facilitate the completion of the process of turnover of governance of the association from the declarant

to the lot owner-elected board if before the day on which the period of administrative control terminates under Subsection (1) or (2), the association:

- (i) establishes a committee of the board that includes one or more lot owners to facilitate turnover of governance to the lot owner-elected board; or
 - (ii) sends notice to each lot owner for nomination of eligible board candidates to commence the process of turnover of governance to the lot owner-elected board.
- (c) The turnover process described in Subsection (6)(b) may include:
- (i) nominations for candidates for the lot owner-elected board;
 - (ii) eligibility verification for candidates for the lot owner-elected board that is consistent with the governing documents and Subsection 57-8a-501(3);
 - (iii) compliance with regular or special meeting notice requirements;
 - (iv) proxy solicitation;
 - (v) satisfaction of quorum requirements; or
 - (vi) updating association records and accounts.

Amended by Chapter 62, 2026 General Session