

**COMMUNITY ASSOCIATION ACT
AMENDMENTS**

2006 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Michael G. Waddoups

House Sponsor: J. Stuart Adams

LONG TITLE

General Description:

This bill allows a homeowner association to impose fines for violations of the association's rules.

Highlighted Provisions:

This bill:

- ▶ allows a homeowner association to impose fines for violations of the association's rules;
- ▶ requires the homeowner association to notify a lot owner of a violation and inform the lot owner of applicable fines; and
- ▶ provides for a hearing in which a lot owner may protest fines.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

57-8a-208, Utah Code Annotated 1953

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



28 Section 1. Section **57-8a-208** is enacted to read:

29 **57-8a-208. Fines.**

30 (1) ~~§→ [If authorized in the association's governing documents]~~ **Unless otherwise provided**
 30a **in the association's governing documents** ~~←§~~, the board of a homeowner
 31 association may assess a fine against a lot owner for a violation of the association's governing
 32 documents after the requirements of Subsection (2) are met.

33 (2) Before assessing a fine under Subsection (1), the board shall:

34 (a) notify the lot owner of the violation; and

35 (b) inform the owner that a fine will be imposed if the violation is not remedied within
 36 the time provided in the association's governing documents, which shall be at least 48 hours.

37 (3) (a) A fine assessed under Subsection (1) shall:

38 (i) be made only for a violation of a rule ~~§→~~, **covenant, condition, or restriction** ~~←§~~ that
 38a is specifically listed in the association's
 39 governing documents ~~§→~~ **[as an offense that is subject to a fine]** ~~←§~~ ;

40 (ii) be in the amount specifically provided for in the association's governing documents
 41 for that specific type of violation ~~§→~~ **or in an amount commensurate with the nature of the**
 41a **violation** ~~←§~~ ; and

42 (iii) accrue interest and late fees as provided in the association's governing documents.

43 (b) Unpaid fines may be collected as an unpaid assessment as set forth in the
 44 association's governing documents or in this chapter.

45 (4) (a) A lot owner who is assessed a fine under Subsection (1) may request an
 46 informal hearing to protest or dispute the fine within ~~§→~~ **[30]** ~~Ĥ→~~ **[10]** ~~←§~~ **14** ~~←Ĥ~~ days from the
 46a1 date the fine is
 46a assessed.

47 (b) A hearing requested under Subsection (4)(a) shall be conducted in accordance with
 48 standards provided in the association's governing documents.

49 (c) No interest or late fees may accrue until after the hearing has been conducted and a
 50 final decision has been rendered.

Legislative Review Note

as of 1-23-06 8:59 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

01-23-06 11:28 AM

S.B. 168

Office of Legislative Research and General Counsel