

Senator John W. Hickman proposes the following substitute bill:

HOMEOWNERS ASSOCIATION REQUIREMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John W. Hickman

House Sponsor: David Clark

LONG TITLE

General Description:

This bill addresses requirements in Title 57, Chapter 8, Condominium Ownership Act, and Chapter 8a, Community Association Act.

Highlighted Provisions:

This bill:

- ▶ addresses restrictions on amending governing documents for condominium projects and community associations; and
- ▶ addresses the duration of service contracts entered into by the association during a period of administrative control.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

57-8-39, Utah Code Annotated 1953

57-8a-104, Utah Code Annotated 1953



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

27 Section 1. Section **57-8-39** is enacted to read:

28 **57-8-39. Limitation on requirements for amending declaration or bylaws.**

29 (1) When the period of control described in Section 57-8-16.5 ends, neither the
 30 declaration nor bylaws may require that an amendment to the declaration or bylaws be
 31 approved by more than 67% of the voting interests.

32 (2) Voting interests under Subsection (1) are calculated in the manner required by the
 33 declaration or bylaws.

34 (3) Nothing in this section affects any other rights reserved by a declarant.

35 (4) Subsection (1) does not apply to an amendment affecting only:

36 (a) the undivided interest of each unit owner in the common areas and facilities, as
 37 expressed in the declaration;

38 (b) unit boundaries; or

39 (c) members' voting rights.

39a **§→ (5) (a) A contract for services such as garbage collection, maintenance, lawn care, or snow**
 39b **removal executed on behalf of the association during a period of administrative control is**
 39c **binding beyond the period of administrative control unless terminated by the board of**
 39d **directors after the period of administrative control ends.**

39e **(b) Subsection (5)(a) does not apply to golf course and amenity management, utilities, cable**
 39f **services, and other similar services that require an investment of infrastructure or capital. ←§**

40 Section 2. Section **57-8a-104** is enacted to read:

41 **57-8a-104. Limitation on requirements for amending governing documents --**

42 **Limitation on contracts.**

43 (1) As used in this section, "period of administrative control" means the period during
 44 which the person who filed the association's governing documents or a successor in interest
 45 retains authority to:

46 (a) appoint or remove members of the association's board of directors; or

47 (b) exercise power or authority assigned to the association under its governing
 48 documents.

49 (2) (a) When the period of administrative control ends, the governing documents may
 50 not require that an amendment to the governing documents be approved by more than 67% of
 51 the voting interests.

52 (b) Subsection (2)(a) does not apply to an amendment affecting only:

53 (i) lot boundaries; or

54 (ii) members' voting rights.

55 (3) **§→ (a) ←§** A contract for services such as garbage collection, maintenance, lawn care,
 55a or snow
 56 removal executed on behalf of the association during a period of administrative control is

57 binding beyond the period of administrative control ~~§~~→ [only if agreed to by a majority of] ~~unless~~
57a ~~terminated by~~ ←~~§~~ the board
58 of directors after the period of administrative control ends.
58a ~~§~~→ **(b) Subsection (3)(a) does not apply to golf course and amenity management, utilities, cable**
58b **services, and other similar services that require an investment of infrastructure or capital.** ←~~§~~
59 (4) Voting interests under Subsections (2) and (3) are calculated in the manner required
60 by the governing documents.
61 (5) Nothing in this section affects any other rights reserved by the person who filed the
62 association's original governing documents or a successor in interest.

S.B. 87 1st Sub. (Green) - Homeowners Association Requirements

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
