

**Senator Stephen H. Urquhart** proposes the following substitute bill:

**COMMUNITY ASSOCIATION ACT AMENDMENTS**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen H. Urquhart**

House Sponsor: Don L. Ipson

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**LONG TITLE**

**General Description:**

This bill modifies the Community Association Act.

**Highlighted Provisions:**

This bill:

▶ modifies a provision prohibiting a homeowner association's governing documents from requiring an amendment to be approved by more than 67% of the voting interests; and

▶ prohibits the vote required to amend governing documents to exceed 67%, regardless of a contrary provision in the governing documents.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**57-8a-104**, as enacted by Laws of Utah 2007, Chapter 223

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



26 Section 1. Section **57-8a-104** is amended to read:

27 **57-8a-104. Limitation on requirements for amending governing documents --**

28 **Limitation on contracts.**

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

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

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

35 [~~(2) (a) When the period of administrative control ends, the governing]~~

36 (2) (a) (i) Governing documents may not require that an amendment to the governing  
37 documents adopted after the period of administrative control be approved by more than 67% of  
38 the voting interests.

39 (ii) The vote required to adopt an amendment to governing documents may not be  
40 greater than 67% of the voting interests, notwithstanding a provision of the governing  
41 documents requiring a greater percentage.

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

43 (i) lot boundaries; or

44 (ii) members' voting rights.

45 (3) (a) A contract for services such as garbage collection, maintenance, lawn care, or  
46 snow removal executed on behalf of the association during a period of administrative control is  
47 binding beyond the period of administrative control unless terminated by the board of directors  
48 after the period of administrative control ends.

49 (b) Subsection (3)(a) does not apply to golf course and amenity management, utilities,  
50 cable services, and other similar services that require an investment of infrastructure or capital.

51 (4) Voting interests under Subsections (2) and (3) are calculated in the manner required  
52 by the governing documents.

53 (5) Nothing in this section affects any other rights reserved by the person who filed the  
54 association's original governing documents or a successor in interest.

# FISCAL NOTE

S.B. 117 1st Sub. (Green)

SHORT TITLE: **Community Association Act Amendments**

SPONSOR: **Urquhart, S.**

2011 GENERAL SESSION, STATE OF UTAH

## STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

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

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.