

Senator Stephen H. Urquhart proposes the following substitute bill:

ASSOCIATION FORECLOSURE AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart

House Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill enacts provisions related to the foreclosure of a trust deed secured by real property that is part of a condominium association or a homeowners association.

Highlighted Provisions:

This bill:

- defines terms; and
- requires the beneficiary of a trust deed that is secured by real property that is subject to an association of unit owners under Title 57, Chapter 8, Condominium Ownership Act, or an association under Title 57, Chapter 8a, Community Association Act, to pay the unit's share of certain common costs to the association beginning 150 days after the trustee records a notice of default.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

57-1-36.5, Utah Code Annotated 1953



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

Section 1. Section **57-1-36.5** is enacted to read:

57-1-36.5. Payment of certain costs to condominium or community association after notice of default.

(1) As used in this Section:

(a) "Association" means:

(i) an association of unit owners, as defined in Section [57-8-3](#); or

(ii) an association, as defined in Section [57-8a-102](#).

(b) "Unit" means:

(i) a lot, as defined in Section [57-8a-102](#); or

(ii) a unit, as defined in Section [57-8-3](#).

(2) (a) In accordance with this section, the beneficiary of a trust deed that is secured by a unit that is part of an association shall pay to the association the amount of the unit's share of the costs described in Subsection (4)(a) from 150 days after the day on which the trustee records a notice of default until the day on which:

(i) the unit is sold at a trustee's sale;

(ii) the notice of default is cancelled; or

(iii) a deed in lieu of foreclosure is recorded.

(b) The beneficiary shall pay the amount described in Subsection (2)(a) to the association within 30 days after the day on which:

(i) the unit is sold at a trustee's sale;

(ii) the notice of default is cancelled; or

(iii) a deed in lieu of foreclosure is recorded.

(3) (a) Within three days after the day on which a trustee records a notice of default under Section [57-1-24](#) against a unit that is part of an association, the trustee shall deliver to the association, at the association's address on file with the Department of Commerce:

(i) in accordance with Subsection (3)(b), written notice that a notice of default was recorded on the unit; and

(ii) a copy of the notice of default.

(b) A written notice under Subsection (3)(a)(i) shall state:

- 57 (i) the name and address of the trustee;
58 (ii) the name and address of the beneficiary; and
59 (iii) the date on which the notice of default was recorded.
60 (4) Within 30 days after the day on which an association receives the notice described
61 in Subsection (3), the association shall deliver to the beneficiary a document that includes:
62 (a) the amount of the unit's monthly share of:
63 (i) landscaping maintenance in the common areas;
64 (ii) water; and
65 (iii) insurance; and
66 (b) the method by which the beneficiary shall make the payment required under
67 Subsection (2) to the association.