

212 (b) Notwithstanding Subsection (2)(a), a rule may:
213 (i) limit or prohibit a rental unit owner from using the common areas for purposes other
214 than attending an association meeting or managing the rental unit;
215 (ii) if the rental unit owner retains the right to use the association of unit owners'
216 common areas, even occasionally, charge a rental unit owner a fee to use the common areas; or
217 (iii) include a provision in the association of unit owners' governing documents that:
218 (A) requires each tenant of a rental unit to abide by the terms of the governing
219 documents; and
220 (B) holds the tenant and the rental unit owner jointly and severally liable for a violation
221 of a provision of the governing documents.
222 (3) (a) A rule may not interfere with the freedom of a unit owner to determine the
223 composition of the unit owner's household.
224 (b) Notwithstanding Subsection (3)(a), an association of unit owners may:
225 (i) require that all occupants of a dwelling be members of a single housekeeping unit;
226 or
227 (ii) limit the total number of occupants permitted in each residential dwelling on the
228 basis of the residential dwelling's:
229 (A) size and facilities; and
230 (B) fair use of the common areas.
231 (4) Unless contrary to a declaration, a rule may require a minimum lease term.
232 (5) Unless otherwise provided in the declaration, an association of unit owners may by
233 rule:
234 (a) regulate the use, maintenance, repair, replacement, and modification of common
235 areas;
236 (b) impose and receive any payment, fee, or charge for:
237 (i) the use, rental, or operation of the common areas, except limited common areas; and
238 (ii) a service provided to a ~~H~~→ [tot] unit ←~~H~~ owner;
239 (c) impose a charge for a late payment of an assessment; or
240 (d) provide for the indemnification of the association of unit owners' officers and board
241 consistent with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
242 (6) A rule shall be reasonable.

305 ~~[(8)] (7)~~ Notwithstanding this section, an association of unit owners may ~~H→ [upon~~
 306 ~~unanimous approval by all unit owners;]~~ ←H restrict or prohibit rentals without an exception
 307 described in Subsection ~~[(3)] (2)~~ H→ [-] if:

- 307a (a) the restriction or prohibition receives unanimous approval by all unit owners; and
 307b (b) when the restriction or prohibition requires an amendment to the association of unit
 307c owners' declaration, the association of unit owners fulfills all other requirements for amending
 307d the declaration described in the association of unit owners' governing documents. ←H

308 ~~[(9)] (8)~~ Except as provided in Subsection ~~[(10)] (9)~~, an association of unit owners may
 309 not require a unit owner who owns a rental unit to:

- 310 (a) obtain the association of unit owners' approval of a prospective renter; ~~[or]~~
 311 (b) give the association of unit owners:
 312 (i) a copy of a rental application;
 313 (ii) a copy of a renter's or prospective renter's credit information or credit report;
 314 (iii) a copy of a renter's or prospective renter's background check; or
 315 (iv) documentation to verify the renter's age[-]; or
 316 (c) pay an additional assessment, fine, or fee because the unit is a rental unit.

317 ~~[(10)] (9)~~ (a) A unit owner who owns a rental unit shall give an association of unit
 318 owners the documents described in Subsection ~~[(9)] (8)~~(b) if the unit owner is required to
 319 provide the documents by court order or as part of discovery under the Utah Rules of Civil
 320 Procedure.

321 (b) If an association of unit owners' declaration lawfully prohibits or restricts
 322 occupancy of the units by a certain class of individuals, the association of unit owners may
 323 require a unit owner who owns a rental unit to give the association of unit owners the
 324 information described in Subsection ~~[(9)] (8)~~(b), if:

- 325 (i) the information helps the association of unit owners determine whether the renter's
 326 occupancy of the unit complies with the association of unit owners' declaration; and
 327 (ii) the association of unit owners uses the information to determine whether the
 328 renter's occupancy of the unit complies with the association of unit owners' declaration.

329 (10) The provisions of Subsections (8) and (9) apply to an association of unit owners
 330 regardless of when the association of unit owners is created.

331 Section 4. Section ~~57-8-37~~ is amended to read:

332 **57-8-37. Fines.**

333 (1) ~~[(a) If authorized in the declaration, bylaws, or association rules, the]~~ A
 334 management committee ~~[of a residential condominium project]~~ may assess a fine against a unit
 335 owner ~~[after the requirements of Subsection (2) have been met for a violation of the rules and~~

336 regulations of the association of unit owners which have been promulgated in accordance with
 337 this chapter and the declaration and bylaws] for a violation of the association of unit owners'
 338 governing documents in accordance with the provisions of this section.

339 ~~[(b) The management committee of a nonresidential condominium project may not~~
 340 ~~assess a fine against a unit owner.]~~

341 (2) (a) Before assessing a fine under Subsection (1), the management committee shall
 342 give ~~[notice to the unit owner of the violation and inform the owner that a fine will be imposed~~
 343 ~~if the violation is not cured within the time provided in the declaration, bylaws, or association~~
 344 ~~rules, which shall be at least 48 hours:]~~ the unit owner a written warning that:

345 (i) describes the violation;

346 (ii) states the rule or provision of the association of unit owners' governing documents
 347 that the unit owner's conduct violates;

348 (iii) states that the management committee may ~~§→~~ , in accordance with the provisions of
 348a this section, ~~←§~~ assess ~~§→~~ [a fine] fines ~~←§~~ against the unit owner if a

349 continuing violation is not cured or if the unit owner commits ~~§→~~ [a] ~~←§~~ similar ~~§→~~ [violation]
 349a violations ~~←§~~ within one

350 year after the day on which the management committee gives the unit owner the written
 351 warning ~~§→~~ or assesses a fine against the unit owner under this section ~~←§~~ ; and

352 (iv) if the violation is a continuing violation, states a time that is not less than 48 hours
 353 after the day on which the management committee gives the unit owner the written warning by
 354 which the unit owner shall cure the violation.

355 (b) A management committee may assess a fine against a unit owner if:

356 (i) within one year after the day on which the management committee gives the unit
 357 owner a written warning described in Subsection (2)(a), the unit owner commits another
 358 violation of the same rule or provision identified in the written warning; or

359 (ii) for a continuing violation, the unit owner does not cure the violation within the
 360 time period that is stated in the written warning described in Subsection (2)(a).

361 (c) If permitted by the association of unit owners' governing documents, after a
 362 management committee assesses a fine against a unit owner under this section, the
 363 management committee may, without further warning under this Subsection (2), assess an
 364 additional fine against the unit owner each time the unit owner:

365 (i) commits a violation of the same rule or provision within one year after the day on
 366 which the management committee assesses ~~§→~~ [the initial] a ~~←§~~ fine ~~§→~~ for a violation of the
 366a same rule or provision ~~←§~~ ; or

367 (ii) allows a violation to continue for 10 days or longer after the day on which the
 368 management committee assesses the \$ → [initial] ← \$ fine.

369 (d) The aggregate amount of fines assessed against a unit owner for violations of the
 370 same rule or provision of the governing documents may not exceed \$500 in any one calendar
 371 month.

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

373 ~~(i)~~ (a) be made only for a violation of a rule ~~[or regulation which is specifically listed~~
 374 ~~in the declaration, bylaws, or association rules as an offense which is subject to a fine],~~
 375 covenant, condition, or restriction that is in the association of unit owners' governing
 376 documents;

377 ~~(ii)~~ (b) be in the amount ~~[specifically] provided for in the [declaration, bylaws, or~~
 378 ~~association rules for that specific type of violation, not to exceed \$500]~~ association of unit
 379 owners' governing documents and in accordance with Subsection (2)(d); and

380 ~~(iii)~~ (c) accrue interest and late fees as provided in the ~~[declaration, bylaws, or~~
 381 ~~association rules]~~ association of unit owners' governing documents.

382 ~~(b) Cumulative fines for a continuing violation may not exceed \$500 per month.]~~

383 (4) (a) A unit owner who is assessed a fine under Subsection (1) may request an
 384 informal hearing before the management committee to ~~[protest or]~~ dispute the fine within 30
 385 days ~~[from the date]~~ after the day on which the unit owner receives notice that the fine is
 386 assessed. [The hearing shall be conducted in accordance with the standards provided in the
 387 declaration, bylaws, or association rules. No]

388 (b) At a hearing described in Subsection (4)(a), the management committee shall:

389 (i) provide the unit owner a reasonable opportunity to present the unit owner's position
 390 to the management committee; and

391 (ii) allow the unit owner, a committee member, or any other person involved in the
 392 hearing to participate in the hearing by means of electronic communication.

393 (c) If a unit owner timely requests an informal hearing under Subsection (4)(a), no
 394 interest or late fees may accrue until after the management committee conducts the hearing [has
 395 been conducted] and the unit owner receives a final decision [has been rendered].

396 (5) A unit owner may appeal a fine ~~[issued]~~ assessed under Subsection (1) by initiating
 397 a civil action within 180 days after:

- 491 (a) for the nonpayment of an assessment; and
 492 (b) (i) in the same manner as the sale of trust property under Sections 57-1-19 through
 493 57-1-34; and
 494 (ii) as provided in Part 3, Collection of Assessments.

495 (16) "Rentals" or "rental lot" means:

- 496 (a) a lot owned by an individual not described in Subsection (16)(b) that is occupied by
 497 someone while no lot owner occupies the lot as the lot owner's primary residence; and
 498 (b) a lot owned by an entity or trust, regardless of who occupies the lot.

499 ~~[(15)]~~ (17) "Residential lot" means a lot, the use of which is limited by law, covenant,
 500 or otherwise to primarily residential or recreational purposes.

501 Section 6. Section 57-8a-208 is amended to read:

502 **57-8a-208. Fines.**

503 (1) ~~[Unless otherwise provided in the association's governing documents, the]~~ A board
 504 ~~[of an association]~~ may assess a fine against a lot owner for a violation of the association's
 505 governing documents ~~[after the requirements described in Subsection (2) are met]~~ in
 506 accordance with the provisions of this section.

507 (2) (a) Before assessing a fine under Subsection (1), the board shall give the lot owner
 508 a written warning that:

509 ~~[(a) notify the lot owner of the violation; and]~~

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

512 (i) describes the violation;

513 (ii) states the rule or provision of the association's governing documents that the lot
 514 owner's conduct violates;

515 (iii) states that the board may ~~§→~~, in accordance with the provisions of this section, ~~←§~~
 515a assess ~~§→~~ ~~[a fine]~~ fines ~~←§~~ against the lot owner if a continuing

516 violation is not cured or if the lot owner commits ~~§→~~ ~~[a]~~ ~~←§~~ similar ~~§→~~ ~~[violation]~~ violations ~~←§~~
 516a within one year after the

517 day on which the board gives the lot owner the written warning ~~§→~~ or assesses a fine against the
 517a lot owner under this section ~~←§~~; and

518 (iv) if the violation is a continuing violation, states a time that is not less than 48 hours
 519 after the day on which the board gives the lot owner the written warning by which the lot
 520 owner shall cure the violation.

521 (b) A board may assess a fine against a lot owner if:

522 (i) within one year after the day on which the board gives the lot owner a written
 523 warning described in Subsection (2)(a), the lot owner commits another violation of the same
 524 rule or provision identified in the written warning; or

525 (ii) for a continuing violation, the lot owner does not cure the violation within the time
 526 period that is stated in the written warning described in Subsection (2)(a).

527 (c) If permitted by the association's governing documents, after the board assesses a
 528 fine against a lot owner under this section, the board may, without further warning under this
 529 Subsection (2), assess an additional fine against the lot owner each time the lot owner:

530 (i) commits a violation of the same rule or provision within one year after the day on
 531 which the board assesses ~~§~~ **[the initial] a ~~←~~§ fine ~~§~~ for a violation of the same rule or**
 531a provision ~~←~~§ ; or

532 (ii) allows a violation to continue for 10 days or longer after the day on which the
 533 board assesses the ~~§~~ **[initial] ~~←~~§ fine.**

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

535 ~~[(i)]~~ (a) be made only for a violation of a rule, covenant, condition, or restriction that is
 536 ~~[specifically listed]~~ in the association's governing documents;

537 ~~[(ii)]~~ (b) be in the amount ~~[specifically]~~ provided for in the association's governing
 538 documents ~~[for that specific type of violation or in an amount commensurate with the nature of~~
 539 ~~the violation]~~; and

540 ~~[(iii)]~~ (c) accrue interest and late fees as provided in the association's governing
 541 documents.

542 ~~[(b) Unpaid fines may be collected as an unpaid assessment as set forth in the~~
 543 ~~association's governing documents or in this chapter.]~~

544 (4) (a) A lot owner who is assessed a fine under Subsection (1) may request an
 545 informal hearing before the board to ~~[protest or]~~ dispute the fine within 30 days after the day on
 546 which the lot owner receives notice that the fine is assessed.

547 ~~[(b) A hearing requested under Subsection (4)(a) shall be conducted in accordance with~~
 548 ~~standards provided in the association's governing documents.]~~

549 (b) At a hearing described in Subsection (4)(a), the board shall:

550 (i) provide the lot owner a reasonable opportunity to present the lot owner's position to
 551 the board; and

552 (ii) allow the lot owner, a board member, or any other person involved in the hearing to

615 [(5)] (4) This section does not limit or affect residency age requirements for an
 616 association that complies with the requirements of the Housing for Older Persons Act, 42
 617 U.S.C. Sec. 3607.

618 [~~(6) The~~] (5) A declaration of covenants, conditions, and restrictions or amendments
 619 to the declaration of covenants, conditions, and restrictions recorded before the transfer of the
 620 first lot from the initial declarant may prohibit or restrict rentals without providing for the
 621 exceptions, provisions, and procedures required under Subsection [(3)] (2)(a).

622 [(7)] (6) Subsections [(2)] (1) through [(6)] (5) do not apply to:

- 623 (a) an association that contains a time period unit as defined in Section 57-8-3;
 624 (b) any other form of timeshare interest as defined in Section 57-19-2; or
 625 (c) an association in which the initial declaration of covenants, conditions, and
 626 restrictions is recorded before May 12, 2009[-], unless, on or after May 12, 2015, the
 627 association:

628 (i) adopts a rental restriction or prohibition; or

629 (ii) amends an existing rental restriction or prohibition.

630 [(8)] (7) Notwithstanding this section, an association may ~~H→~~ [~~upon unanimous approval~~
 631 ~~by all lot owners;~~] ~~←H~~ restrict or prohibit rentals without an exception described in Subsection [(3)]
 632 (2) ~~H→~~ [-] if:

632a (a) the restriction or prohibition receives unanimous approval by all lot owners; and

632b (b) when the restriction or prohibition requires an amendment to the association's

632c recorded declaration of covenants, conditions, and restrictions, the association fulfills all other

632d requirements for amending the recorded declaration of covenants, conditions, and restrictions

632e described in the association's governing documents. ~~←H~~

633 [(9)] (8) Except as provided in Subsection [(10)] (9), an association may not require a
 634 lot owner who owns a rental lot to:

635 (a) obtain the association's approval of a prospective renter; [~~or~~]

636 (b) give the association:

637 (i) a copy of a rental application;

638 (ii) a copy of a renter's or prospective renter's credit information or credit report;

639 (iii) a copy of a renter's or prospective renter's background check; or

640 (iv) documentation to verify the renter's age[-]; or

641 (c) pay an additional assessment, fine, or fee because the lot is a rental lot.

642 [(10)] (9) (a) A lot owner who owns a rental lot shall give an association the
 643 documents described in Subsection [(9)] (8)(b) if the lot owner is required to provide the
 644 documents by court order or as part of discovery under the Utah Rules of Civil Procedure.

645 (b) If an association's declaration of covenants, conditions, and restrictions lawfully