

Representative Raymond P. Ward proposes the following substitute bill:

SINGLE-FAMILY HOUSING MODIFICATIONS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: Jacob L. Anderegg

LONG TITLE

General Description:

This bill modifies provisions related to single-family housing.

Highlighted Provisions:

This bill:

- ▶ modifies and defines terms applicable to municipal and county land use development and management;
- ▶ allows a municipality or county to punish an individual who lists or offers a certain licensed or permitted accessory dwelling unit as a short-term rental;
- ▶ allows municipalities and counties to require specified physical changes to certain accessory dwelling units;
 - ▶ in any single-family residential land use zone:
 - requires municipalities and counties to classify certain accessory dwelling units as a permitted land use; and
 - prohibits municipalities and counties from establishing restrictions or requirements for certain accessory dwelling units with limited exceptions;
- ▶ allows a municipality or county to hold a lien against real property containing certain accessory dwelling units in certain circumstances;
- ▶ provides for statewide amendments to the International Residential Code related to



- 26 accessory dwelling units;
- 27 ▶ requires the executive director of the Olene Walker Housing Loan Fund to establish
- 28 a two-year pilot program to provide loan guarantees for certain loans related to
- 29 accessory dwelling units;
- 30 ▶ prevents a homeowners association from prohibiting the construction or rental of
- 31 certain accessory dwelling units; and
- 32 ▶ makes technical and conforming changes.

33 **Money Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 This bill provides a special effective date.

37 **Utah Code Sections Affected:**

38 AMENDS:

- 39 10-8-85.4, as enacted by Laws of Utah 2017, Chapter 335
- 40 10-9a-505.5, as last amended by Laws of Utah 2012, Chapter 172
- 41 10-9a-511.5, as enacted by Laws of Utah 2015, Chapter 205
- 42 15A-3-202, as last amended by Laws of Utah 2020, Chapter 441
- 43 15A-3-204, as last amended by Laws of Utah 2016, Chapter 249
- 44 15A-3-206, as last amended by Laws of Utah 2018, Chapter 186
- 45 17-27a-505.5, as last amended by Laws of Utah 2015, Chapter 465
- 46 17-27a-510.5, as enacted by Laws of Utah 2015, Chapter 205
- 47 17-50-338, as enacted by Laws of Utah 2017, Chapter 335
- 48 35A-8-505, as last amended by Laws of Utah 2020, Chapter 241
- 49 57-8a-209, as last amended by Laws of Utah 2018, Chapter 395
- 50 57-8a-218, as last amended by Laws of Utah 2017, Chapter 131

51 ENACTS:

- 52 10-9a-530, Utah Code Annotated 1953
- 53 17-27a-526, Utah Code Annotated 1953
- 54 35A-8-504.5, Utah Code Annotated 1953

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

57 Section 1. Section 10-8-85.4 is amended to read:

58 **10-8-85.4. Ordinances regarding short-term rentals -- Prohibition on ordinances**
59 **restricting speech on short-term rental websites.**

60 (1) As used in this section:

61 (a) "Internal accessory dwelling unit" means the same as that term is defined in Section
62 10-9a-511.5.

63 [~~(a)~~] (b) "Residential unit" means a residential structure or any portion of a residential
64 structure that is occupied as a residence.

65 [~~(b)~~] (c) "Short-term rental" means a residential unit or any portion of a residential unit
66 that the owner of record or the lessee of the residential unit offers for occupancy for fewer than
67 30 consecutive days.

68 [~~(c)~~] (d) "Short-term rental website" means a website that:

69 (i) allows a person to offer a short-term rental to one or more prospective renters; and
70 (ii) facilitates the renting of, and payment for, a short-term rental.

71 (2) Notwithstanding Section 10-9a-501 or Subsection 10-9a-503(1), a legislative body
72 may not:

73 (a) enact or enforce an ordinance that prohibits an individual from listing or offering a
74 short-term rental on a short-term rental website; or

75 (b) use an ordinance that prohibits the act of renting a short-term rental to fine, charge,
76 prosecute, or otherwise punish an individual solely for the act of listing or offering a short-term
77 rental on a short-term rental website.

78 (3) Subsection (2) does not apply to an individual who lists or offers an internal
79 accessory dwelling unit as a short-term rental on a short-term rental website if the municipality
80 records a notice for the internal accessory dwelling unit under Subsection 10-9a-530(6).

81 Section 2. Section 10-9a-505.5 is amended to read:

82 **10-9a-505.5. Limit on single family designation.**

83 (1) As used in this section, "single-family limit" means the number of [~~unrelated~~]
84 individuals allowed to occupy each residential unit that is recognized by a land use authority in
85 a zone permitting occupancy by a single family.

86 (2) A municipality may not adopt a single-family limit that is less than:

87 (a) three, if the municipality has within its boundary:

- 88 (i) a state university; or
- 89 (ii) a private university with a student population of at least 20,000; or
- 90 (b) four, for each other municipality.
- 91 Section 3. Section **10-9a-511.5** is amended to read:
- 92 **10-9a-511.5. Changes to dwellings -- Egress windows.**
- 93 (1) [~~For purposes of~~] As used in this section[~~,"rental"~~]:
- 94 (a) "Internal accessory dwelling unit" means an accessory dwelling unit created:
- 95 (i) within a primary dwelling;
- 96 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the
- 97 time the internal accessory dwelling unit is created; and
- 98 (iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- 99 (b) "Primary dwelling" means a single-family dwelling that:
- 100 (i) is detached; and
- 101 (ii) is occupied as the primary residence of the owner of record.
- 102 (c) "Rental dwelling" means the same as that term is defined in Section 10-8-85.5.
- 103 (2) A municipal ordinance adopted under Section **10-1-203.5** may not:
- 104 (a) require physical changes in a structure with a legal nonconforming rental dwelling
- 105 use unless the change is for:
- 106 (i) the reasonable installation of:
- 107 (A) a smoke detector that is plugged in or battery operated;
- 108 (B) a ground fault circuit interrupter protected outlet on existing wiring;
- 109 (C) street addressing;
- 110 (D) except as provided in Subsection (3), an egress bedroom window if the existing
- 111 bedroom window is smaller than that required by current State Construction Code;
- 112 (E) an electrical system or a plumbing system, if the existing system is not functioning
- 113 or is unsafe as determined by an independent electrical or plumbing professional who is
- 114 licensed in accordance with Title 58, Occupations and Professions;
- 115 (F) hand or guard rails; or
- 116 (G) occupancy separation doors as required by the International Residential Code; or
- 117 (ii) the abatement of a structure; or
- 118 (b) be enforced to terminate a legal nonconforming rental dwelling use.

119 (3) (a) A municipality may not require physical changes to install an egress or
 120 emergency escape window in an existing bedroom that complied with the State Construction
 121 Code in effect at the time the bedroom was finished if:

122 ~~[(a)]~~ (i) the dwelling is an owner-occupied dwelling or a rental dwelling that is:

123 ~~[(i)]~~ (A) a detached one-, two-, three-, or four-family dwelling; or

124 ~~[(ii)]~~ (B) a town home that is not more than three stories above grade with a separate
 125 means of egress; and

126 ~~[(b)-(i)]~~ (ii) (A) the window in the existing bedroom is smaller than that required by
 127 current State Construction Code; and

128 ~~[(ii)]~~ (B) the change would compromise the structural integrity of the structure or could
 129 not be completed in accordance with current State Construction Code, including set-back and
 130 window well requirements.

131 (b) Subsection (3)(a) does not apply to an internal accessory dwelling unit.

132 (4) Nothing in this section prohibits a municipality from:

133 (a) regulating the style of window that is required or allowed in a bedroom;

134 (b) requiring that a window in an existing bedroom be fully openable if the openable
 135 area is less than required by current State Construction Code; or

136 (c) requiring that an existing window not be reduced in size if the openable area is
 137 smaller than required by current State Construction Code.

138 Section 4. Section **10-9a-530** is enacted to read:

139 **10-9a-530. Internal accessory dwelling units.**

140 (1) As used in this section:

141 (a) "Internal accessory dwelling unit" means an accessory dwelling unit created:

142 (i) within a primary dwelling;

143 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the
 144 time the internal accessory dwelling unit is created; and

145 (iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.

146 (b) "Primary dwelling" means a single-family dwelling that:

147 (i) is detached; and

148 (ii) is occupied as the primary residence of the owner of record.

149 (2) In any area zoned primarily for residential use:

150 (a) the use of an internal accessory dwelling unit is a permitted use; and

151 (b) except as provided in ~~§~~ **→ [Subsection] Subsections (3) and** ~~←~~ **§** (4), a municipality

151a may not establish any

152 restrictions or requirements for the construction or use of one internal accessory dwelling unit

153 within a primary dwelling, including a restriction or requirement governing:

154 (i) the size of the internal accessory dwelling unit in relation to the primary dwelling;

155 (ii) total lot size; or

156 (iii) street frontage.

157 (3) An internal accessory dwelling unit shall comply with all applicable building,

158 health, and fire codes.

159 (4) A municipality may:

160 (a) prohibit the installation of a separate utility meter for an internal accessory dwelling

161 unit;

162 (b) require that an internal accessory dwelling unit be designed in a manner that does

163 not change the appearance of the primary dwelling as a single-family dwelling;

164 (c) require a primary dwelling:

165 (i) to include one additional on-site parking space for an internal accessory dwelling

166 unit, regardless of whether the primary dwelling is existing or new construction; and

167 (ii) to replace any parking spaces contained within a garage or carport if an internal

168 accessory dwelling unit is created within the garage or carport;

169 (d) prohibit the creation of an internal accessory dwelling unit within a mobile home as

170 defined in Section [57-16-3](#);

171 (e) require the owner of a primary dwelling to obtain a permit or license for renting an

172 internal accessory dwelling unit;

173 (f) prohibit the creation of an internal accessory dwelling unit within a zoning district

174 covering an area that is equivalent to:

175 (i) 25% or less of the total area in the municipality that is zoned primarily for

176 residential use; or

177 (ii) 67% or less of the total area in the municipality that is zoned primarily for

178 residential use, if the main campus of a state or private university with a student population of

179 10,000 or more is located within the municipality;

180 (g) prohibit the creation of an internal accessory dwelling unit if the primary dwelling

181 is served by a failing septic tank;

182 (h) prohibit the creation of an internal accessory dwelling unit if the lot containing the
183 primary dwelling is 6,000 square feet or less in size;

184 (i) prohibit the rental or offering the rental of an internal accessory dwelling unit for a
185 period of less than 30 consecutive days;

186 (j) prohibit the rental of an internal accessory dwelling unit if the internal accessory
187 dwelling unit is located in a dwelling that is not occupied as the owner's primary residence;

188 (k) hold a lien against a property that contains an internal accessory dwelling unit in
189 accordance with Subsection (5); and

190 (l) record a notice for an internal accessory dwelling unit in accordance with
191 Subsection (6).

192 (5) (a) In addition to any other legal or equitable remedies available to a municipality, a
193 municipality may hold a lien against a property that contains an internal accessory dwelling
194 unit if:

195 (i) the owner of the property violates any of the provisions of this section or any
196 ordinance adopted under Subsection (4);

197 (ii) the municipality provides a written notice of violation in accordance with
198 Subsection (5)(b);

199 (iii) the municipality holds a hearing and determines that the violation has occurred in
200 accordance with Subsection (5)(d), if the owner files a written objection in accordance with
201 Subsection (5)(b)(iv);

202 (iv) the owner fails to cure the violation within the time period prescribed in the
203 written notice of violation under Subsection (5)(b);

204 (v) the municipality provides a written notice of lien in accordance with Subsection
205 (5)(c); and

206 (vi) the municipality records a copy of the written notice of lien described in
207 Subsection (5)(a)(iv) with the county recorder of the county in which the property is located.

208 (b) The written notice of violation shall:

209 (i) describe the specific violation;

210 (ii) provide the owner of the internal accessory dwelling unit a reasonable opportunity
211 to cure the violation that is:

212 (A) no less than 14 days after the day on which the municipality sends the written
213 notice of violation, if the violation results from the owner renting or offering to rent the internal
214 accessory dwelling unit for a period of less than 30 consecutive days; or

215 (B) no less than 30 days after the day on which the municipality sends the written
216 notice of violation, for any other violation;

217 (iii) state that if the owner of the property fails to cure the violation within the time
218 period described in Subsection (5)(b)(ii), the municipality may hold a lien against the property
219 in an amount of up to \$100 for each day of violation after the day on which the opportunity to
220 cure the violation expires;

221 (iv) notify the owner of the property:

222 (A) that the owner may file a written objection to the violation within 14 days after the
223 day on which the written notice of violation is post-marked or posted on the property; and

224 (B) of the name and address of the municipal office where the owner may file the
225 written objection;

226 (v) be mailed to:

227 (A) the property's owner of record; and

228 (B) any other individual designated to receive notice in the owner's license or permit
229 records; and

230 (vi) be posted on the property.

231 (c) The written notice of lien shall:

232 (i) comply with the requirements of Section [38-12-102](#);

233 (ii) state that the property is subject to a lien;

234 (iii) specify the lien amount, in an amount of up to \$100 for each day of violation after
235 the day on which the opportunity to cure the violation expires;

236 (iv) be mailed to:

237 (A) the property's owner of record; and

238 (B) any other individual designated to receive notice in the owner's license or permit
239 records; and

240 (v) be posted on the property.

241 (d) (i) If an owner of property files a written objection in accordance with Subsection
242 (5)(b)(iv), the municipality shall:

243 (A) hold a hearing in accordance with Title 52, Chapter 4, Open and Public Meetings
 244 Act, to conduct a review and determine whether the specific violation described in the written
 245 notice of violation under Subsection (5)(b) has occurred; and

246 (B) notify the owner in writing of the date, time, and location of the hearing described
 247 in Subsection (5)(d)(i)(A) no less than 14 days before the day on which the hearing is held.

248 (ii) If an owner of property files a written objection under Subsection (5)(b)(iv), a
 249 municipality may not record a lien under this Subsection (5) until the municipality holds a
 250 hearing and determines that the specific violation has occurred.

251 (iii) If the municipality determines at the hearing that the specific violation has
 252 occurred, the municipality may impose a lien in an amount of up to \$100 for each day of
 253 violation after the day on which the opportunity to cure the violation expires, regardless of
 254 whether the hearing is held after the day on which the opportunity to cure the violation has
 255 expired.

256 (e) If an owner cures a violation within the time period prescribed in the written notice
 257 of violation under Subsection (5)(b), the municipality may not hold a lien against the property,
 258 or impose any penalty or fee on the owner, in relation to the specific violation described in the
 259 written notice of violation under Subsection (5)(b).

260 (6) (a) A municipality that issues $\hat{S} \rightarrow$, on or after October 1, 2021, $\leftarrow \hat{S}$ a permit or
 260a license to $\hat{S} \rightarrow$ ~~the~~ an $\leftarrow \hat{S}$ owner of $\hat{S} \rightarrow$ ~~an internal~~
 261 ~~accessory dwelling unit~~ a primary dwelling $\leftarrow \hat{S}$ to rent $\hat{S} \rightarrow$ ~~the~~ an $\leftarrow \hat{S}$ internal accessory
 261a dwelling unit, or $\hat{S} \rightarrow$ ~~issues~~ $\leftarrow \hat{S}$ a building permit
 262 to $\hat{S} \rightarrow$ ~~the~~ an $\leftarrow \hat{S}$ owner of $\hat{S} \rightarrow$ ~~an internal accessory dwelling unit~~ a primary dwelling $\leftarrow \hat{S}$ to
 262a create $\hat{S} \rightarrow$ ~~the~~ an $\leftarrow \hat{S}$ internal accessory dwelling
 263 unit, may record a notice in the office of the recorder of the county in which the $\hat{S} \rightarrow$ ~~property~~
 263a primary dwelling $\leftarrow \hat{S}$ is
 264 located.

265 (b) The notice described in Subsection (6)(a) shall include:

266 (i) a description of the primary dwelling;

267 (ii) a statement that the primary dwelling contains an internal accessory dwelling unit;

268 and

269 (iii) a statement that the internal accessory dwelling unit may only be used in
 270 accordance with the municipality's land use regulations.

271 (c) The municipality shall, upon recording the notice described in Subsection (6)(a),
 272 deliver a copy of the notice to the owner of the internal accessory dwelling unit.

273 Section 5. Section 15A-3-202 is amended to read:

274 **15A-3-202. Amendments to Chapters 1 through 5 of IRC.**

275 (1) In IRC, Section R102, a new Section R102.7.2 is added as follows: "R102.7.2
276 Physical change for bedroom window egress. A structure whose egress window in an existing
277 bedroom is smaller than required by this code, and that complied with the construction code in
278 effect at the time that the bedroom was finished, is not required to undergo a physical change to
279 conform to this code if the change would compromise the structural integrity of the structure or
280 could not be completed in accordance with other applicable requirements of this code,
281 including setback and window well requirements."

282 (2) In IRC, Section R108.3, the following sentence is added at the end of the section:
283 "The building official shall not request proprietary information."

284 (3) In IRC, Section 109:

285 (a) A new IRC, Section 109.1.5, is added as follows: "R109.1.5 Weather-resistant
286 exterior wall envelope inspections. An inspection shall be made of the weather-resistant
287 exterior wall envelope as required by Section R703.1 and flashings as required by Section
288 R703.8 to prevent water from entering the weather-resistive barrier."

289 (b) The remaining sections are renumbered as follows: R109.1.6 Other inspections;
290 R109.1.6.1 Fire- and smoke-resistance-rated construction inspection; R109.1.6.2 Reinforced
291 masonry, insulating concrete form (ICF) and conventionally formed concrete wall inspection;
292 and R109.1.7 Final inspection.

293 (4) IRC, Section R114.1, is deleted and replaced with the following: "R114.1 Notice to
294 owner. Upon notice from the building official that work on any building or structure is being
295 prosecuted contrary to the provisions of this code or other pertinent laws or ordinances or in an
296 unsafe and dangerous manner, such work shall be immediately stopped. The stop work order
297 shall be in writing and shall be given to the owner of the property involved, or to the owner's
298 agent or to the person doing the work; and shall state the conditions under which work will be
299 permitted to resume."

300 (5) In IRC, Section R202, the following definition is added: "ACCESSORY
301 DWELLING UNIT: A habitable living unit created within the existing footprint of a primary
302 owner-occupied single-family dwelling."

303 [~~(5)~~] (6) In IRC, Section R202, the following definition is added: "CERTIFIED
304 BACKFLOW PREVENTER ASSEMBLY TESTER: A person who has shown competence to

305 test Backflow prevention assemblies to the satisfaction of the authority having jurisdiction
 306 under Utah Code, Subsection 19-4-104(4)."

307 ~~[(6)]~~ (7) In IRC, Section R202, the definition of "Cross Connection" is deleted and
 308 replaced with the following: "CROSS CONNECTION. Any physical connection or potential
 309 connection or arrangement between two otherwise separate piping systems, one of which
 310 contains potable water and the other either water of unknown or questionable safety or steam,
 311 gas, or chemical, whereby there exists the possibility for flow from one system to the other,
 312 with the direction of flow depending on the pressure differential between the two systems (see
 313 "Backflow, Water Distribution")."

314 ~~[(7)]~~ (8) In IRC, Section 202, in the definition for gray water a comma is inserted after
 315 the word "washers"; the word "and" is deleted; and the following is added to the end: "and
 316 clear water wastes which have a pH of 6.0 to 9.0; are non-flammable; non-combustible;
 317 without objectionable odors; non-highly pigmented; and will not interfere with the operation of
 318 the sewer treatment facility."

319 ~~[(8)]~~ (9) In IRC, Section R202, the definition of "Potable Water" is deleted and
 320 replaced with the following: "POTABLE WATER. Water free from impurities present in
 321 amounts sufficient to cause disease or harmful physiological effects and conforming to the
 322 Utah Code, Title 19, Chapter 4, Safe Drinking Water Act, and Title 19, Chapter 5, Water
 323 Quality Act, and the regulations of the public health authority having jurisdiction."

324 ~~[(9)]~~ (10) IRC, Figure R301.2(5), is deleted and replaced with R301.2(5) as follows:

| "TABLE R301.2(5) | | | |
|--|-----------|--|----------------|
| GROUND SNOW LOADS FOR SELECTED LOCATIONS IN UTAH | | | |
| City/Town | County | Ground Snow Load (lb/ft ²) | Elevation (ft) |
| Beaver | Beaver | 35 | 5886 |
| Brigham City | Box Elder | 42 | 4423 |
| Castle Dale | Emery | 32 | 5669 |
| Coalville | Summit | 57 | 5581 |
| Duchesne | Duchesne | 39 | 5508 |
| Farmington | Davis | 35 | 4318 |
| Fillmore | Millard | 30 | 5138 |

| | | | | |
|-----|----------------|------------|----|------|
| 335 | Heber City | Wasatch | 60 | 5604 |
| 336 | Junction | Piute | 27 | 6030 |
| 337 | Kanab | Kane | 25 | 4964 |
| 338 | Loa | Wayne | 37 | 7060 |
| 339 | Logan | Cache | 43 | 4531 |
| 340 | Manila | Daggett | 26 | 6368 |
| 341 | Manti | Sanpete | 37 | 5620 |
| 342 | Moab | Grand | 21 | 4029 |
| 343 | Monticello | San Juan | 67 | 7064 |
| 344 | Morgan | Morgan | 52 | 5062 |
| 345 | Nephi | Juab | 39 | 5131 |
| 346 | Ogden | Weber | 37 | 4334 |
| 347 | Panguitch | Garfield | 41 | 6630 |
| 348 | Parowan | Iron | 32 | 6007 |
| 349 | Price | Carbon | 31 | 5558 |
| 350 | Provo | Utah | 31 | 4541 |
| 351 | Randolph | Rich | 50 | 6286 |
| 352 | Richfield | Sevier | 27 | 5338 |
| 353 | St. George | Washington | 21 | 2585 |
| 354 | Salt Lake City | Salt Lake | 28 | 4239 |
| 355 | Tooele | Tooele | 35 | 5029 |
| 356 | Vernal | Uintah | 39 | 5384 |

Note: To convert lb/ft² to kN/m², multiply by 0.0479. To convert feet to meters, multiply by 0.3048.

1. Statutory requirements of the Authority Having Jurisdiction are not included in this state ground snow load table.

357 2. For locations where there is substantial change in altitude over the city/town, the load applies at and below the cited elevation, with a tolerance of 100 ft (30 m).

3. For other locations in Utah, see Bean, B., Maguire, M., Sun, Y. (2018), "The Utah Snow Load Study," Utah State University Civil and Environmental Engineering Faculty Publications, Paper 3589, <http://utahsnowload.usu.edu/>, for ground snow load values.

358 ~~[(10)]~~ (11) IRC, Section R301.6, is deleted and replaced with the following: "R301.6
359 Utah Snow Loads. The snow loads specified in Table R301.2(5b) shall be used for the
360 jurisdictions identified in that table. Otherwise, for other locations in Utah, see Bean, B.,
361 Maguire, M., Sun, Y. (2018), "The Utah Snow Load Study," Utah State University Civil and
362 Environmental Engineering Faculty Publications, Paper 3589, <http://utahsnowload.usu.edu/>, for
363 ground snow load values."

364 ~~[(11)]~~ (12) In IRC, Section R302.2, the following sentence is added after the second
365 sentence: "When an access/maintenance agreement or easement is in place, plumbing,
366 mechanical ducting, schedule 40 steel gas pipe, and electric service conductors including
367 feeders, are permitted to penetrate the common wall at grade, above grade, or below grade."

368 (13) In IRC, Section R302.3, a new exception 3 is added as follows: "3. Accessory
369 dwelling units separated by walls or floor assemblies protected by not less than 1/2-inch (12.7
370 mm) gypsum board or equivalent on each side of the wall or bottom of the floor assembly are
371 exempt from the requirements of this section."

372 ~~[(12)]~~ (14) In IRC, Section R302.5.1, the words "self-closing device" are deleted and
373 replaced with "self-latching hardware."

374 ~~[(13)]~~ (15) IRC, Section R302.13, is deleted.

375 ~~[(14)]~~ (16) In IRC, Section R303.4, the number "5" is changed to "3" in the first
376 sentence.

377 (17) In IRC, Section R310.6, in the exception, the words "or accessory dwelling units"
378 are added after the words "sleeping rooms".

379 ~~[(15)]~~ (18) IRC, Sections R311.7.4 through R311.7.5.3, are deleted and replaced with

380 the following: "R311.7.4 Stair treads and risers. R311.7.5.1 Riser height. The maximum riser
381 height shall be 8 inches (203 mm). The riser shall be measured vertically between leading
382 edges of the adjacent treads. The greatest riser height within any flight of stairs shall not
383 exceed the smallest by more than 3/8 inch (9.5 mm).

384 R311.7.5.2 Tread depth. The minimum tread depth shall be 9 inches (228 mm). The tread
385 depth shall be measured horizontally between the vertical planes of the foremost projection of
386 adjacent treads and at a right angle to the tread's leading edge. The greatest tread depth within
387 any flight of stairs shall not exceed the smallest by more than 3/8 inch (9.5 mm). Winder
388 treads shall have a minimum tread depth of 10 inches (254 mm) measured as above at a point
389 12 inches (305 mm) from the side where the treads are narrower. Winder treads shall have a
390 minimum tread depth of 6 inches (152 mm) at any point. Within any flight of stairs, the
391 greatest winder tread depth at the 12-inch (305 mm) walk line shall not exceed the smallest by
392 more than 3/8 inch (9.5 mm).

393 R311.7.5.3 Profile. The radius of curvature at the leading edge of the tread shall be no greater
394 than 9/16 inch (14.3 mm). A nosing not less than 3/4 inch (19 mm) but not more than 1 1/4
395 inches (32 mm) shall be provided on stairways with solid risers. The greatest nosing projection
396 shall not exceed the smallest nosing projection by more than 3/8 inch (9.5 mm) between two
397 stories, including the nosing at the level of floors and landings. Beveling of nosing shall not
398 exceed 1/2 inch (12.7 mm). Risers shall be vertical or sloped from the underside of the leading
399 edge of the tread above at an angle not more than 30 degrees (0.51 rad) from the vertical. Open
400 risers are permitted, provided that the opening between treads does not permit the passage of a
401 4-inch diameter (102 mm) sphere.

402 Exceptions.

- 403 1. A nosing is not required where the tread depth is a minimum of 10 inches (254 mm).
- 404 2. The opening between adjacent treads is not limited on stairs with a total rise of 30 inches
405 (762 mm) or less."

406 [~~(16)~~] (19) IRC, Section R312.2, is deleted.

407 [~~(17)~~] (20) IRC, Sections R313.1 through R313.2.1, are deleted and replaced with the
408 following: "R313.1 Design and installation. When installed, automatic residential fire
409 sprinkler systems for townhouses or one- and two-family dwellings shall be designed and
410 installed in accordance with Section P2904 or NFPA 13D."

411 (21) In IRC, Section R314.2.2, the words "or accessory dwelling units" are added after
412 the words "sleeping rooms".

413 (22) In IRC, Section R315.2.2, the words "or accessory dwelling units" are added after
414 the words "sleeping rooms".

415 [~~(18)~~] (23) In IRC, Section 315.3, the following words are added to the first sentence
416 after the word "installed": "on each level of the dwelling unit and."

417 [~~(19)~~] (24) In IRC, Section R315.5, a new exception, 3, is added as follows:

418 "3. Hard wiring of carbon monoxide alarms in existing areas shall not be required where the
419 alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing
420 the structure, unless there is an attic, crawl space or basement available which could provide
421 access for hard wiring, without the removal of interior finishes."

422 [~~(20)~~] (25) A new IRC, Section R315.7, is added as follows: " R315.7 Interconnection.
423 Where more than one carbon monoxide alarm is required to be installed within an individual
424 dwelling unit in accordance with Section R315.1, the alarm devices shall be interconnected in
425 such a manner that the actuation of one alarm will activate all of the alarms in the individual
426 unit. Physical interconnection of smoke alarms shall not be required where listed wireless
427 alarms are installed and all alarms sound upon activation of one alarm.

428 Exception: Interconnection of carbon monoxide alarms in existing areas shall not be required
429 where alterations or repairs do not result in removal of interior wall or ceiling finishes exposing
430 the structure, unless there is an attic, crawl space or basement available which could provide
431 access for interconnection without the removal of interior finishes."

432 [~~(21)~~] (26) In IRC, Section R317.1.5, the period is deleted and the following language
433 is added to the end of the paragraph: "or treated with a moisture resistant coating."

434 [~~(22)~~] (27) In IRC, Section 326.1, the words "residential provisions of the" are added
435 after the words "pools and spas shall comply with".

436 [~~(23)~~] (28) In IRC, Section R403.1.6, a new Exception 3 is added as follows: "3.
437 When anchor bolt spacing does not exceed 32 inches (813 mm) apart, anchor bolts may be
438 placed with a minimum of two bolts per plate section located not less than 4 inches (102 mm)
439 from each end of each plate section at interior bearing walls, interior braced wall lines, and at
440 all exterior walls."

441 [~~(24)~~] (29) In IRC, Section R403.1.6.1, a new exception is added at the end of Item 2

442 and Item 3 as follows: "Exception: When anchor bolt spacing does not exceed 32 inches (816
443 mm) apart, anchor bolts may be placed with a minimum of two bolts per plate section located
444 not less than 4 inches (102 mm) from each end of each plate section at interior bearing walls,
445 interior braced wall lines, and at all exterior walls."

446 [~~(25)~~] (30) In IRC, Section R404.1, a new exception is added as follows: "Exception:
447 As an alternative to complying with Sections R404.1 through R404.1.5.3, concrete and
448 masonry foundation walls may be designed in accordance with IBC Sections 1807.1.5 and
449 1807.1.6 as amended in Section 1807.1.6.4 and Table 1807.1.6.4 under these rules."

450 [~~(26)~~] (31) In IRC, Section R405.1, a new exception is added as follows: "Exception:
451 When a geotechnical report has been provided for the property, a drainage system is not
452 required unless the drainage system is required as a condition of the geotechnical report. The
453 geological report shall make a recommendation regarding a drainage system."

454 Section 6. Section **15A-3-204** is amended to read:

455 **15A-3-204. Amendments to Chapters 16 through 25 of IRC.**

456 (1) In IRC, Section M1602.2, a new exception is added at the end of Item 6 as follows:
457 "Exception: The discharge of return air from an accessory dwelling unit into another dwelling
458 unit, or into an accessory dwelling unit from another dwelling unit, is not prohibited."

459 (2) A new IRC, Section G2401.2, is added as follows: "G2401.2 Meter Protection.
460 Fuel gas services shall be in an approved location and/or provided with structures designed to
461 protect the fuel gas meter and surrounding piping from physical damage, including falling,
462 moving, or migrating ice and snow. If an added structure is used, it must provide access for
463 service and comply with the IBC or the IRC."

464 Section 7. Section **15A-3-206** is amended to read:

465 **15A-3-206. Amendments to Chapters 36 through 44 and Appendix F of IRC.**

466 (1) In IRC, Section E3601.6.2, a new exception is added as follows: "Exception: An
467 occupant of an accessory dwelling unit is not required to have access to the disconnect serving
468 the dwelling unit in which they reside."

469 [~~(1)~~] (2) In IRC, Section E3705.4.5, the following words are added after the word
470 "assemblies": "with ungrounded conductors 10 AWG and smaller".

471 [~~(2)~~] (3) In IRC, Section E3901.9, the following exception is added:

472 "Exception: Receptacles or other outlets adjacent to the exterior walls of the garage, outlets

473 adjacent to an exterior wall of the garage, or outlets in a storage room with entry from the
 474 garage may be connected to the garage branch circuit."

475 [~~(3)~~] (4) IRC, Section E3902.16 is deleted.

476 [~~(4)~~] (5) In Section E3902.17:

477 (a) following the word "Exception" the number "1." is added; and

478 (b) at the end of the section, the following sentences are added:

479 "2. This section does not apply for a simple move or an extension of a branch circuit or an
 480 outlet which does not significantly increase the existing electrical load. This exception does
 481 not include changes involving remodeling or additions to a residence."

482 [~~(5)~~] (6) IRC, Chapter 44, is amended by adding the following reference standard:

| "Standard reference number | Title | Referenced in code section number |
|--|--|-----------------------------------|
| USC-FCCCHR 10th Edition Manual of Cross Connection Control | Foundation for Cross-Connection Control and Hydraulic Research University of Southern California Kaprielian Hall 300 Los Angeles CA 90089-2531 | Table P2902.3" |

485 [~~(6)~~] (7) (a) When passive radon controls or portions thereof are voluntarily installed,
 486 the voluntary installation shall comply with Appendix F of the IRC.

487 (b) An additional inspection of a voluntary installation described in Subsection [~~(6)~~]
 488 (7)(a) is not required.

489 Section 8. Section **17-27a-505.5** is amended to read:

490 **17-27a-505.5. Limit on single family designation.**

491 (1) As used in this section, "single-family limit" means the number of [~~unrelated~~]
 492 individuals allowed to occupy each residential unit that is recognized by a land use authority in
 493 a zone permitting occupancy by a single family.

494 (2) A county may not adopt a single-family limit that is less than:

495 (a) three, if the county has within its unincorporated area:

496 (i) a state university;

497 (ii) a private university with a student population of at least 20,000; or

498 (iii) a mountainous planning district; or

499 (b) four, for each other county.

500 Section 9. Section 17-27a-510.5 is amended to read:

501 **17-27a-510.5. Changes to dwellings -- Egress windows.**

502 (1) [~~For purposes of~~] As used in this section[~~,"rental"~~]:

503 (a) "Internal accessory dwelling unit" means an accessory dwelling unit created:

504 (i) within a primary dwelling;

505 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the

506 time the internal accessory dwelling unit is created; and

507 (iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.

508 (b) "Primary dwelling" means a single-family dwelling that:

509 (i) is detached; and

510 (ii) is occupied as the primary residence of the owner of record.

511 (c) "Rental dwelling" means the same as that term is defined in Section 10-8-85.5.

512 (2) A county ordinance adopted under Section 10-1-203.5 may not:

513 (a) require physical changes in a structure with a legal nonconforming rental dwelling

514 use unless the change is for:

515 (i) the reasonable installation of:

516 (A) a smoke detector that is plugged in or battery operated;

517 (B) a ground fault circuit interrupter protected outlet on existing wiring;

518 (C) street addressing;

519 (D) except as provided in Subsection (3), an egress bedroom window if the existing

520 bedroom window is smaller than that required by current State Construction Code;

521 (E) an electrical system or a plumbing system, if the existing system is not functioning

522 or is unsafe as determined by an independent electrical or plumbing professional who is

523 licensed in accordance with Title 58, Occupations and Professions;

524 (F) hand or guard rails; or

525 (G) occupancy separation doors as required by the International Residential Code; or

526 (ii) the abatement of a structure; or

527 (b) be enforced to terminate a legal nonconforming rental dwelling use.

528 (3) (a) A county may not require physical changes to install an egress or emergency

529 escape window in an existing bedroom that complied with the State Construction Code in

530 effect at the time the bedroom was finished if:

531 ~~[(a)]~~ (i) the dwelling is an owner-occupied dwelling or a rental dwelling that is:

532 ~~[(i)]~~ (A) a detached one-, two-, three-, or four-family dwelling; or

533 ~~[(ii)]~~ (B) a town home that is not more than three stories above grade with a separate

534 means of egress; and

535 ~~[(b)]~~ ~~[(i)]~~ (ii) (A) the window in the existing bedroom is smaller than that required by

536 current State Construction Code; and

537 ~~[(ii)]~~ (B) the change would compromise the structural integrity of the structure or could

538 not be completed in accordance with current State Construction Code, including set-back and

539 window well requirements.

540 (b) Subsection (3)(a) does not apply to an internal accessory dwelling unit.

541 (4) Nothing in this section prohibits a county from:

542 (a) regulating the style of window that is required or allowed in a bedroom;

543 (b) requiring that a window in an existing bedroom be fully openable if the openable

544 area is less than required by current State Construction Code; or

545 (c) requiring that an existing window not be reduced in size if the openable area is

546 smaller than required by current State Construction Code.

547 Section 10. Section **17-27a-526** is enacted to read:

548 **17-27a-526. Internal accessory dwelling units.**

549 (1) As used in this section:

550 (a) "Internal accessory dwelling unit" means an accessory dwelling unit created:

551 (i) within a primary dwelling;

552 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the

553 time the internal accessory dwelling unit is created; and

554 (iii) for the purpose of offering a long-term rental of 30 consecutive days or longer.

555 (b) "Primary dwelling" means a single-family dwelling that:

556 (i) is detached; and

557 (ii) is occupied as the primary residence of the owner of record.

558 (2) In any area zoned primarily for residential use:

559 (a) the use of an internal accessory dwelling unit is a permitted use; and

560 (b) except as provided in ~~§~~→ **[Subsection]** **Subsections (3) and** ~~←~~ ~~§~~ (4), a county may not

560a establish any restrictions or

561 requirements for the construction or use of one internal accessory dwelling unit within a

562 primary dwelling, including a restriction or requirement governing:

563 (i) the size of the internal accessory dwelling unit in relation to the primary dwelling;

564 (ii) total lot size; or

565 (iii) street frontage.

566 (3) An internal accessory dwelling unit shall comply with all applicable building,
567 health, and fire codes.

568 (4) A county may:

569 (a) prohibit the installation of a separate utility meter for an internal accessory dwelling
570 unit;

571 (b) require that an internal accessory dwelling unit be designed in a manner that does
572 not change the appearance of the primary dwelling as a single-family dwelling;

573 (c) require a primary dwelling:

574 (i) to include one additional on-site parking space for an internal accessory dwelling
575 unit, regardless of whether the primary dwelling is existing or new construction; and

576 (ii) to replace any parking spaces contained within a garage or carport if an internal
577 accessory dwelling unit is created within the garage or carport;

578 (d) prohibit the creation of an internal accessory dwelling unit within a mobile home as
579 defined in Section 57-16-3;

580 (e) require the owner of a primary dwelling to obtain a permit or license for renting an
581 internal accessory dwelling unit;

582 (f) prohibit the creation of an internal accessory dwelling unit within a zoning district

583 covering an area that is equivalent to ~~5~~ $\hat{S} \rightarrow$ [2] 25% or less of the total unincorporated area in the

583a county that is zoned primarily for residential use; ~~←~~ \hat{S}

584 ~~$\hat{S} \rightarrow$ [(i) 25% or less of the total unincorporated area in the municipality that is zoned~~
585 ~~primarily for residential use; or~~

586 ~~—— (ii) 67% or less of the total unincorporated area in the county that is zoned primarily~~
587 ~~for residential use, if the main campus of a state or private university with a student population~~
588 ~~of 10,000 or more is located within the unincorporated area of the county;] ~~←~~ \hat{S}~~

589 (g) prohibit the creation of an internal accessory dwelling unit if the primary dwelling
590 is served by a failing septic tank;

591 (h) prohibit the creation of an internal accessory dwelling unit if the lot containing the
592 primary dwelling is 6,000 square feet or less in size;

593 (i) prohibit the rental or offering the rental of an internal accessory dwelling unit for a
594 period of less than 30 consecutive days;

595 (j) prohibit the rental of an internal accessory dwelling unit if the internal accessory
596 dwelling unit is located in a dwelling that is not occupied as the owner's primary residence;

597 (k) hold a lien against a property that contains an internal accessory dwelling unit in
598 accordance with Subsection (5); and

599 (l) record a notice for an internal accessory dwelling unit in accordance with
600 Subsection (6).

601 (5) (a) In addition to any other legal or equitable remedies available to a county, a
602 county may hold a lien against a property that contains an internal accessory dwelling unit if:

603 (i) the owner of the property violates any of the provisions of this section or any
604 ordinance adopted under Subsection (4);

605 (ii) the county provides a written notice of violation in accordance with Subsection
606 (5)(b);

607 (iii) the county holds a hearing and determines that the violation has occurred in
608 accordance with Subsection (5)(d), if the owner files a written objection in accordance with
609 Subsection (5)(b)(iv);

610 (iv) the owner fails to cure the violation within the time period prescribed in the
611 written notice of violation under Subsection (5)(b);

612 (v) the county provides a written notice of lien in accordance with Subsection (5)(c);
613 and

614 (vi) the county records a copy of the written notice of lien described in Subsection
615 (5)(a)(iv) with the county recorder of the county in which the property is located.

616 (b) The written notice of violation shall:

617 (i) describe the specific violation;

618 (ii) provide the owner of the internal accessory dwelling unit a reasonable opportunity
619 to cure the violation that is:

620 (A) no less than 14 days after the day on which the county sends the written notice of
621 violation, if the violation results from the owner renting or offering to rent the internal
622 accessory dwelling unit for a period of less than 30 consecutive days; or

623 (B) no less than 30 days after the day on which the county sends the written notice of

624 violation, for any other violation; and

625 (iii) state that if the owner of the property fails to cure the violation within the time
626 period described in Subsection (5)(b)(ii), the county may hold a lien against the property in an
627 amount of up to \$100 for each day of violation after the day on which the opportunity to cure
628 the violation expires;

629 (iv) notify the owner of the property:

630 (A) that the owner may file a written objection to the violation within 14 days after the
631 day on which the written notice of violation is post-marked or posted on the property; and

632 (B) of the name and address of the municipal office where the owner may file the
633 written objection;

634 (v) be mailed to:

635 (A) the property's owner of record; and

636 (B) any other individual designated to receive notice in the owner's license or permit
637 records; and

638 (vi) be posted on the property.

639 (c) The written notice of lien shall:

640 (i) comply with the requirements of Section [38-12-102](#);

641 (ii) describe the specific violation;

642 (iii) specify the lien amount, in an amount of up to \$100 for each day of violation after
643 the day on which the opportunity to cure the violation expires;

644 (iv) be mailed to:

645 (A) the property's owner of record; and

646 (B) any other individual designated to receive notice in the owner's license or permit
647 records; and

648 (v) be posted on the property.

649 (d) (i) If an owner of property files a written objection in accordance with Subsection
650 (5)(b)(iv), the county shall:

651 (A) hold a hearing in accordance with Title 52, Chapter 4, Open and Public Meetings
652 Act, to conduct a review and determine whether the specific violation described in the written
653 notice of violation under Subsection (5)(b) has occurred; and

654 (B) notify the owner in writing of the date, time, and location of the hearing described

655 in Subsection (5)(d)(i)(A) no less than 14 days before the day on which the hearing is held.

656 (ii) If an owner of property files a written objection under Subsection (5)(b)(iv), a
 657 county may not record a lien under this Subsection (5) until the municipality holds a hearing
 658 and determines that the specific violation has occurred.

659 (iii) If the county determines at the hearing that the specific violation has occurred, the
 660 county may impose a lien in an amount of up to \$100 for each day of violation after the day on
 661 which the opportunity to cure the violation expires, regardless of whether the hearing is held
 662 after the day on which the opportunity to cure the violation has expired.

663 (e) If an owner cures a violation within the time period prescribed in the written notice
 664 of violation under Subsection (5)(b), the county may not hold a lien against the property, or
 665 impose any penalty or fee on the owner, in relation to the specific violation described in the
 666 written notice of violation under Subsection (5)(b).

667 (6) (a) A county that issues ~~§~~, on or after October 1, 2021, ~~§~~ a permit or license to
 667a ~~§~~ [the] an ~~§~~ owner of an ~~§~~ [internal accessory
 668 dwelling unit] a primary dwelling ~~§~~ to rent ~~§~~ [the] an ~~§~~ internal accessory dwelling unit,
 668a or ~~§~~ [issues] ~~§~~ a building permit to ~~§~~ [the] an ~~§~~
 669 owner of ~~§~~ [an internal accessory dwelling unit] a primary dwelling ~~§~~ to create ~~§~~ [the] an
 669a ~~§~~ internal accessory dwelling unit, may
 670 record a notice in the office of the recorder of the county in which the ~~§~~ [property] primary
 670a dwelling ~~§~~ is located.

671 (b) The notice described in Subsection (6)(a) shall include:

672 (i) a description of the primary dwelling;

673 (ii) a statement that the primary dwelling contains an internal accessory dwelling unit;

674 and

675 (iii) a statement that the internal accessory dwelling unit may only be used in
 676 accordance with the county's land use regulations.

677 (c) The county shall, upon recording the notice described in Subsection (6)(a), deliver a
 678 copy of the notice to the owner of the internal accessory dwelling unit.

679 Section 11. Section **17-50-338** is amended to read:

680 **17-50-338. Ordinances regarding short-term rentals -- Prohibition on ordinances**
 681 **restricting speech on short-term rental websites.**

682 (1) As used in this section:

683 (a) "Internal accessory dwelling unit" means the same as that term is defined in Section
 684 [10-9a-511.5](#).

685 [(a)] (b) "Residential unit" means a residential structure or any portion of a residential

686 structure that is occupied as a residence.

687 ~~[(b)]~~ (c) "Short-term rental" means a residential unit or any portion of a residential unit
688 that the owner of record or the lessee of the residential unit offers for occupancy for fewer than
689 30 consecutive days.

690 ~~[(c)]~~ (d) "Short-term rental website" means a website that:

- 691 (i) allows a person to offer a short-term rental to one or more prospective renters; and
- 692 (ii) facilitates the renting of, and payment for, a short-term rental.

693 (2) Notwithstanding Section 17-27a-501 or Subsection 17-27a-503(1), a legislative
694 body may not:

695 (a) enact or enforce an ordinance that prohibits an individual from listing or offering a
696 short-term rental on a short-term rental website; or

697 (b) use an ordinance that prohibits the act of renting a short-term rental to fine, charge,
698 prosecute, or otherwise punish an individual solely for the act of listing or offering a short-term
699 rental on a short-term rental website.

700 (3) Subsection (2) does not apply to an individual who lists or offers an internal
701 accessory dwelling unit as a short-term rental on a short-term rental website if the county
702 records a notice for the internal accessory dwelling unit under Subsection 17-27a-526(6).

703 Section 12. Section 35A-8-504.5 is enacted to read:

704 **35A-8-504.5. Low-income ADU loan guarantee pilot program.**

705 (1) As used in this section:

706 (a) "Accessory dwelling unit" means the same as that term is defined in Section
707 10-9a-103.

708 (b) "Borrower" means a residential property owner who receives a low-income ADU
709 loan from a lender.

710 (c) "Lender" means a trust company, savings bank, savings and loan association, bank,
711 credit union, or any other entity that provides low-income ADU loans directly to borrowers.

712 (d) "Low-income ADU loan" means a loan made by a lender to a borrower for the
713 purpose of financing the construction of an accessory dwelling unit that is:

714 (i) located on the borrower's residential property; and

715 (ii) rented to a low-income individual.

716 (e) "Low-income individual" means an individual whose household income is less than

717 80% of the area median income.

718 (f) "Pilot program" means the two-year pilot program created in this section.

719 (2) The executive director shall establish a two-year pilot program to provide loan
720 guarantees on behalf of borrowers for the purpose of insuring the repayment of low-income
721 ADU loans.

722 (3) The executive director may not provide a loan guarantee for a low-income ADU
723 loan under the pilot program unless:

724 (a) the lender:

725 (i) agrees in writing to participate in the pilot program;

726 (ii) makes available to prospective borrowers the option of receiving a low-income
727 ADU loan that:

728 (A) has a term of 15 years; and

729 (B) charges interest at a fixed rate;

730 (iii) monitors the activities of the borrower on a yearly basis during the term of the loan
731 to ensure the borrower's compliance with:

732 (A) Subsection (3)(c); and

733 (B) any other term or condition of the loan; and

734 (iv) promptly notifies the executive director in writing if the borrower fails to comply
735 with:

736 (A) Subsection (3)(c); or

737 (B) any other term or condition of the loan;

738 (b) the loan terms of the low-income ADU loan:

739 (i) are consistent with the loan terms described in Subsection (3)(a)(ii); or

740 (ii) if different from the loan terms described in Subsection (3)(a)(ii), are mutually
741 agreed upon by the lender and the borrower; and

742 (c) the borrower:

743 (i) agrees in writing to participate in the pilot program;

744 (ii) constructs an accessory dwelling unit on the borrower's residential property within
745 one year after the day on which the borrower receives the loan;

746 (iii) occupies the primary residence to which the accessory dwelling unit is associated:

747 (A) after the accessory dwelling unit is completed; and

- 748 (B) for the remainder of the term of the loan; and
749 (iv) rents the accessory dwelling unit to a low-income individual;
750 (A) after the accessory dwelling unit is completed; and
751 (B) for the remainder of the term of the loan.
752 (4) At the direction of the board, the executive director shall make rules in accordance
753 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:
754 (a) the minimum criteria for lenders and borrowers to participate in the pilot program;
755 (b) the terms and conditions for loan guarantees provided under the pilot program,
756 consistent with Subsection (3); and
757 (c) procedures for the pilot program's loan guarantee process.
758 (5) The executive director shall submit a report on the pilot program to the Business
759 and Labor Interim Committee on or before November 30, 2023.

760 Section 13. Section **35A-8-505** is amended to read:

761 **35A-8-505. Activities authorized to receive fund money -- Powers of the executive**
762 **director.**

763 At the direction of the board, the executive director may:

- 764 (1) provide fund money to any of the following activities:
765 (a) the acquisition, rehabilitation, or new construction of low-income housing units;
766 (b) matching funds for social services projects directly related to providing housing for
767 special-need renters in assisted projects;
768 (c) the development and construction of accessible housing designed for low-income
769 persons;
770 (d) the construction or improvement of a shelter or transitional housing facility that
771 provides services intended to prevent or minimize homelessness among members of a specific
772 homeless subpopulation;
773 (e) the purchase of an existing facility to provide temporary or transitional housing for
774 the homeless in an area that does not require rezoning before providing such temporary or
775 transitional housing;
776 (f) the purchase of land that will be used as the site of low-income housing units;
777 (g) the preservation of existing affordable housing units for low-income persons; ~~and~~
778 (h) providing loan guarantees under the two-year pilot program established in Section

779 [35A-8-504.5](#); and

780 ~~[(h)]~~ (i) other activities that will assist in minimizing homelessness or improving the
781 availability or quality of housing in the state for low-income persons; and

782 (2) do any act necessary or convenient to the exercise of the powers granted by this part
783 or reasonably implied from those granted powers, including:

784 (a) making or executing contracts and other instruments necessary or convenient for
785 the performance of the executive director and board's duties and the exercise of the executive
786 director and board's powers and functions under this part, including contracts or agreements for
787 the servicing and originating of mortgage loans;

788 (b) procuring insurance against a loss in connection with property or other assets held
789 by the fund, including mortgage loans, in amounts and from insurers it considers desirable;

790 (c) entering into agreements with a department, agency, or instrumentality of the
791 United States or this state and with mortgagors and mortgage lenders for the purpose of
792 planning and regulating and providing for the financing and refinancing, purchase,
793 construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale,
794 or other disposition of residential housing undertaken with the assistance of the department
795 under this part;

796 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
797 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or
798 personal property obtained by the fund due to the default on a mortgage loan held by the fund
799 in preparation for disposition of the property, taking assignments of leases and rentals,
800 proceeding with foreclosure actions, and taking other actions necessary or incidental to the
801 performance of its duties; and

802 (e) selling, at a public or private sale, with public bidding, a mortgage or other
803 obligation held by the fund.

804 Section 14. Section **57-8a-209** is amended to read:

805 **57-8a-209. Rental restrictions.**

806 (1) (a) Subject to Subsections (1)(b), (5), ~~[and]~~ (6), and (10), an association may:

807 (i) create restrictions on the number and term of rentals in an association; or

808 (ii) prohibit rentals in the association.

809 (b) An association that creates a rental restriction or prohibition in accordance with

810 Subsection (1)(a) shall create the rental restriction or prohibition in a recorded declaration of
811 covenants, conditions, and restrictions, or by amending the recorded declaration of covenants,
812 conditions, and restrictions.

813 (2) If an association prohibits or imposes restrictions on the number and term of
814 rentals, the restrictions shall include:

815 (a) a provision that requires the association to exempt from the rental restrictions the
816 following lot owner and the lot owner's lot:

817 (i) a lot owner in the military for the period of the lot owner's deployment;

818 (ii) a lot occupied by a lot owner's parent, child, or sibling;

819 (iii) a lot owner whose employer has relocated the lot owner for two years or less;

820 (iv) a lot owned by an entity that is occupied by an individual who:

821 (A) has voting rights under the entity's organizing documents; and

822 (B) has a 25% or greater share of ownership, control, and right to profits and losses of
823 the entity; or

824 (v) a lot owned by a trust or other entity created for estate planning purposes if the trust
825 or other estate planning entity was created for:

826 (A) the estate of a current resident of the lot; or

827 (B) the parent, child, or sibling of the current resident of the lot;

828 (b) a provision that allows a lot owner who has a rental in the association before the
829 time the rental restriction described in Subsection (1)(a) is recorded with the county recorder of
830 the county in which the association is located to continue renting until:

831 (i) the lot owner occupies the lot;

832 (ii) an officer, owner, member, trustee, beneficiary, director, or person holding a
833 similar position of ownership or control of an entity or trust that holds an ownership interest in
834 the lot, occupies the lot; or

835 (iii) the lot is transferred; and

836 (c) a requirement that the association create, by rule or resolution, procedures to:

837 (i) determine and track the number of rentals and lots in the association subject to the
838 provisions described in Subsections (2)(a) and (b); and

839 (ii) ensure consistent administration and enforcement of the rental restrictions.

840 (3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the

841 following occur:

842 (a) the conveyance, sale, or other transfer of a lot by deed;

843 (b) the granting of a life estate in the lot; or

844 (c) if the lot is owned by a limited liability company, corporation, partnership, or other
845 business entity, the sale or transfer of more than 75% of the business entity's share, stock,
846 membership interests, or partnership interests in a 12-month period.

847 (4) This section does not limit or affect residency age requirements for an association
848 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec.
849 3607.

850 (5) A declaration of covenants, conditions, and restrictions or amendments to the
851 declaration of covenants, conditions, and restrictions recorded before the transfer of the first lot
852 from the initial declarant may prohibit or restrict rentals without providing for the exceptions,
853 provisions, and procedures required under Subsection (2).

854 (6) (a) Subsections (1) through (5) do not apply to:

855 (i) an association that contains a time period unit as defined in Section 57-8-3;

856 (ii) any other form of timeshare interest as defined in Section 57-19-2; or

857 (iii) subject to Subsection (6)(b), an association that is formed before May 12, 2009,
858 unless, on or after May 12, 2015, the association:

859 (A) adopts a rental restriction or prohibition; or

860 (B) amends an existing rental restriction or prohibition.

861 (b) An association that adopts a rental restriction or amends an existing rental
862 restriction or prohibition before May 9, 2017, is not required to include the exemption
863 described in Subsection (2)(a)(iv).

864 (7) Notwithstanding this section, an association may restrict or prohibit rentals without
865 an exception described in Subsection (2) if:

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

867 (b) when the restriction or prohibition requires an amendment to the association's
868 recorded declaration of covenants, conditions, and restrictions, the association fulfills all other
869 requirements for amending the recorded declaration of covenants, conditions, and restrictions
870 described in the association's governing documents.

871 (8) Except as provided in Subsection (9), an association may not require a lot owner

872 who owns a rental lot to:

873 (a) obtain the association's approval of a prospective renter;

874 (b) give the association:

875 (i) a copy of a rental application;

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

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

878 (iv) documentation to verify the renter's age; or

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

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

883 (b) If an association's declaration of covenants, conditions, and restrictions lawfully
884 prohibits or restricts occupancy of the lots by a certain class of individuals, the association may
885 require a lot owner who owns a rental lot to give the association the information described in
886 Subsection (8)(b), if:

887 (i) the information helps the association determine whether the renter's occupancy of
888 the lot complies with the association's declaration of covenants, conditions, and restrictions;
889 and

890 (ii) the association uses the information to determine whether the renter's occupancy of
891 the lot complies with the association's declaration of covenants, conditions, and restrictions.

892 (10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the
893 rental of an internal accessory dwelling unit, as defined in Section 10-9a-530, constructed
894 within a lot owner's residential lot, if the internal accessory dwelling unit complies with all
895 applicable:

896 (a) land use ordinances;

897 (b) building codes;

898 (c) health codes; and

899 (d) fire codes.

900 ~~[(10)]~~ (11) The provisions of Subsections (8) ~~[and (9)]~~ through (10) apply to an
901 association regardless of when the association is created.

902 Section 15. Section 57-8a-218 is amended to read:

903 **57-8a-218. Equal treatment by rules required -- Limits on association rules and**
904 **design criteria.**

905 (1) (a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated lot
906 owners similarly.

907 (b) Notwithstanding Subsection (1)(a), a rule may:

908 (i) vary according to the level and type of service that the association provides to lot
909 owners;

910 (ii) differ between residential and nonresidential uses; and

911 (iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
912 limit on the number of individuals who may use the common areas and facilities as guests of
913 the lot tenant or lot owner.

914 (2) (a) If a lot owner owns a rental lot and is in compliance with the association's
915 governing documents and any rule that the association adopts under Subsection (4), a rule may
916 not treat the lot owner differently because the lot owner owns a rental lot.

917 (b) Notwithstanding Subsection (2)(a), a rule may:

918 (i) limit or prohibit a rental lot owner from using the common areas for purposes other
919 than attending an association meeting or managing the rental lot;

920 (ii) if the rental lot owner retains the right to use the association's common areas, even
921 occasionally:

922 (A) charge a rental lot owner a fee to use the common areas; or

923 (B) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
924 limit on the number of individuals who may use the common areas and facilities as guests of
925 the lot tenant or lot owner; or

926 (iii) include a provision in the association's governing documents that:

927 (A) requires each tenant of a rental lot to abide by the terms of the governing
928 documents; and

929 (B) holds the tenant and the rental lot owner jointly and severally liable for a violation
930 of a provision of the governing documents.

931 (3) (a) A rule criterion may not abridge the rights of a lot owner to display religious
932 and holiday signs, symbols, and decorations inside a dwelling on a lot.

933 (b) Notwithstanding Subsection (3)(a), the association may adopt time, place, and

934 manner restrictions with respect to displays visible from outside the dwelling or lot.

935 (4) (a) A rule may not regulate the content of political signs.

936 (b) Notwithstanding Subsection (4)(a):

937 (i) a rule may regulate the time, place, and manner of posting a political sign; and

938 (ii) an association design provision may establish design criteria for political signs.

939 (5) (a) A rule may not interfere with the freedom of a lot owner to determine the

940 composition of the lot owner's household.

941 (b) Notwithstanding Subsection (5)(a), an association may:

942 (i) require that all occupants of a dwelling be members of a single housekeeping unit;

943 or

944 (ii) limit the total number of occupants permitted in each residential dwelling on the

945 basis of the residential dwelling's:

946 (A) size and facilities; and

947 (B) fair use of the common areas.

948 (6) (a) A rule may not interfere with an activity of a lot owner within the confines of a

949 dwelling or lot, to the extent that the activity is in compliance with local laws and ordinances.

950 (b) Notwithstanding Subsection (6)(a), a rule may prohibit an activity within a dwelling

951 on an owner's lot if the activity:

952 (i) is not normally associated with a project restricted to residential use; or

953 (ii) (A) creates monetary costs for the association or other lot owners;

954 (B) creates a danger to the health or safety of occupants of other lots;

955 (C) generates excessive noise or traffic;

956 (D) creates unsightly conditions visible from outside the dwelling;

957 (E) creates an unreasonable source of annoyance to persons outside the lot; or

958 (F) if there are attached dwellings, creates the potential for smoke to enter another lot

959 owner's dwelling, the common areas, or limited common areas.

960 (c) If permitted by law, an association may adopt rules described in Subsection (6)(b)

961 that affect the use of or behavior inside the dwelling.

962 (7) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written

963 objection to the board, alter the allocation of financial burdens among the various lots.

964 (b) Notwithstanding Subsection (7)(a), an association may:

- 965 (i) change the common areas available to a lot owner;
- 966 (ii) adopt generally applicable rules for the use of common areas; or
- 967 (iii) deny use privileges to a lot owner who:
- 968 (A) is delinquent in paying assessments;
- 969 (B) abuses the common areas; or
- 970 (C) violates the governing documents.
- 971 (c) This Subsection (7) does not permit a rule that:
- 972 (i) alters the method of levying assessments; or
- 973 (ii) increases the amount of assessments as provided in the declaration.
- 974 (8) (a) Subject to Subsection (8)(b), a rule may not:
- 975 (i) prohibit the transfer of a lot; or
- 976 (ii) require the consent of the association or board to transfer a lot.
- 977 (b) Unless contrary to a declaration, a rule may require a minimum lease term.
- 978 (9) (a) A rule may not require a lot owner to dispose of personal property that was in or
- 979 on a lot before the adoption of the rule or design criteria if the personal property was in
- 980 compliance with all rules and other governing documents previously in force.
- 981 (b) The exemption in Subsection (9)(a):
- 982 (i) applies during the period of the lot owner's ownership of the lot; and
- 983 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
- 984 the rule described in Subsection (9)(a).
- 985 (10) A rule or action by the association or action by the board may not unreasonably
- 986 impede a declarant's ability to satisfy existing development financing for community
- 987 improvements and right to develop:
- 988 (a) the project; or
- 989 (b) other properties in the vicinity of the project.
- 990 (11) A rule or association or board action may not interfere with:
- 991 (a) the use or operation of an amenity that the association does not own or control; or
- 992 (b) the exercise of a right associated with an easement.
- 993 (12) A rule may not divest a lot owner of the right to proceed in accordance with a
- 994 completed application for design review, or to proceed in accordance with another approval
- 995 process, under the terms of the governing documents in existence at the time the completed

996 application was submitted by the owner for review.

997 (13) Unless otherwise provided in the declaration, an association may by rule:

998 (a) regulate the use, maintenance, repair, replacement, and modification of common
999 areas;

1000 (b) impose and receive any payment, fee, or charge for:

1001 (i) the use, rental, or operation of the common areas, except limited common areas; and

1002 (ii) a service provided to a lot owner;

1003 (c) impose a charge for a late payment of an assessment; or

1004 (d) provide for the indemnification of the association's officers and board consistent
1005 with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

1006 (14) (a) Except as provided in Subsection (14)(b), a rule may not prohibit the owner of
1007 a residential lot from constructing an internal accessory dwelling unit, as defined in Section
1008 10-9a-530, within the owner's residential lot.

1009 (b) Subsection (14)(a) does not apply if the construction would violate:

1010 (i) a local land use ordinance;

1011 (ii) a building code;

1012 (iii) a health code; or

1013 (iv) a fire code.

1014 [~~14~~] (15) A rule shall be reasonable.

1015 [~~15~~] (16) A declaration, or an amendment to a declaration, may vary any of the
1016 requirements of Subsections (1) through (13), except Subsection (1)(b)(ii).

1017 [~~16~~] (17) A rule may not be inconsistent with a provision of the association's
1018 declaration, bylaws, or articles of incorporation.

1019 [~~17~~] (18) This section applies to an association regardless of when the association is
1020 created.

1021 Section 16. **Effective date.**

1022 (1) Except as provided in Subsection (2), this bill takes effect on May 5, 2021.

1023 (2) The actions affecting the following sections take effect on October 1, 2021:

1023a **Ŝ→ (a) Section 10-8-85.4; ←Ŝ**

1024 **Ŝ→ [~~a~~] (b) ←Ŝ** Section 10-9a-530;

1025 **Ŝ→ [~~b~~] (c) ←Ŝ** Section 17-27a-526;

1025a **Ŝ→ (d) Section 17-50-338; ←Ŝ**

1026 **Ŝ→ [~~e~~] (e) ←Ŝ** Section 57-8a-209; and

1027

Ŝ → ~~(d)~~ (f) ← Ŝ Section 57-8a-218.