

# HB0082S01 compared with HB0082

~~{deleted text}~~ shows text that was in HB0082 but was deleted in HB0082S01.

inserted text shows text that was not in HB0082 but was inserted into HB0082S01.

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~~{SINGLE-FAMILY}~~ 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: \_\_\_\_\_

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### 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;
- ▶ in any ~~{local}~~ single-family residential land use zone ~~{permitting accessory dwelling units}~~:
  - requires municipalities and counties to classify certain accessory dwelling units as a permitted land use; and
  - prohibits municipalities and counties from establishing specified restrictions or requirements for the construction or use of certain accessory dwelling units;

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- ▶ provides for statewide amendments to the International Residential Code related to accessory dwelling units;
- ▶ requires the executive director of the Olene Walker Housing Loan Fund to establish a program to provide loan guarantees for certain loans related to accessory dwelling units;
- ▶ prevents a homeowners association from prohibiting the construction or rental of certain accessory dwelling units; and
- ▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**10-9a-505.5**, as last amended by Laws of Utah 2012, Chapter 172

**15A-3-202**, as last amended by Laws of Utah 2020, Chapter 441

**15A-3-204**, as last amended by Laws of Utah 2016, Chapter 249

**15A-3-206**, as last amended by Laws of Utah 2018, Chapter 186

**17-27a-505.5**, as last amended by Laws of Utah 2015, Chapter 465

**35A-8-505**, as last amended by Laws of Utah 2020, Chapter 241

**57-8a-209**, as last amended by Laws of Utah 2018, Chapter 395

**57-8a-218**, as last amended by Laws of Utah 2017, Chapter 131

ENACTS:

~~{10-9A-530}~~10-9a-530, Utah Code Annotated 1953

~~{17-27A-526}~~17-27a-526, Utah Code Annotated 1953

**35A-8-504.5**, Utah Code Annotated 1953

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

Section 1. Section **10-9a-505.5** is amended to read:

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

(1) As used in this section, "single-family limit" means the number of [unrelated]

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individuals allowed to occupy each residential unit that is recognized by a land use authority in a zone permitting occupancy by a single family.

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

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

(i) a state university; or

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

(b) four, for each other municipality.

Section 2. Section ~~{10-9A-530}~~10-9a-530 is enacted to read:

~~{10-9A-530}~~10-9a-530. **Internal accessory dwelling units.**

(1) As used in this section, "internal accessory dwelling unit" means an accessory dwelling unit created:

(a) within a primary owner-occupied single-family dwelling~~{,};~~ and

~~{(2) Subject to Subsection (3), in any zone or area permitting}~~b) within the footprint of the dwelling described in Subsection (1)(a) at the time the internal accessory dwelling ~~{units}~~unit is created.

(2) In any single-family residential zone:

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

(b) except as provided in Subsection (4), a municipality may not establish any restrictions or requirements for the construction or use of ~~{an}~~one internal accessory dwelling unit, including a restriction or requirement governing:

(i) the size of ~~{an}~~the internal accessory dwelling unit in relation to the primary dwelling within which the internal accessory dwelling unit is created;

(ii) total lot size;~~{;~~

~~— (iii) parking;}~~ or

~~{iv}~~iii) street frontage.

(3) An internal accessory dwelling unit shall comply with all applicable:

(a) building codes; and

(b) fire codes.

(4) A municipality may require that a lot containing an internal accessory dwelling unit provide one additional on-site parking space.

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

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

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

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

(3) In IRC, Section 109:

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

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

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

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

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

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

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

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

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

[(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 <sup>2</sup> )	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

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Heber City	Wasatch	60	5604
Junction	Piute	27	6030
Kanab	Kane	25	4964
Loa	Wayne	37	7060
Logan	Cache	43	4531
Manila	Daggett	26	6368
Manti	Sanpete	37	5620
Moab	Grand	21	4029
Monticello	San Juan	67	7064
Morgan	Morgan	52	5062
Nephi	Juab	39	5131
Ogden	Weber	37	4334
Panguitch	Garfield	41	6630
Parowan	Iron	32	6007
Price	Carbon	31	5558
Provo	Utah	31	4541
Randolph	Rich	50	6286
Richfield	Sevier	27	5338
St. George	Washington	21	2585
Salt Lake City	Salt Lake	28	4239
Tooele	Tooele	35	5029
Vernal	Uintah	39	5384

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Note: To convert lb/ft<sup>2</sup> to kN/m<sup>2</sup>, 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.
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.

~~[(10)]~~ (11) IRC, Section R301.6, is deleted and replaced with the following: "R301.6 Utah Snow Loads. The snow loads specified in Table R301.2(5b) shall be used for the jurisdictions identified in that table. Otherwise, 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."

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

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

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

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

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

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

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

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

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

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

Exceptions.

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

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

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

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

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

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

~~(19)~~ (24) In IRC, Section R315.5, a new exception, 3, is added as follows:  
"3. Hard wiring of carbon monoxide alarms in existing areas shall not be required where the alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing the structure, unless there is an attic, crawl space or basement available which could provide access for hard wiring, without the removal of interior finishes."

~~(20)~~ (25) A new IRC, Section R315.7, is added as follows: " R315.7 Interconnection. Where more than one carbon monoxide alarm is required to be installed within an individual dwelling unit in accordance with Section R315.1, the alarm devices shall be interconnected in such a manner that the actuation of one alarm will activate all of the alarms in the individual unit. Physical interconnection of smoke alarms shall not be required where listed wireless alarms are installed and all alarms sound upon activation of one alarm. Exception: Interconnection of carbon monoxide alarms in existing areas shall not be required where alterations or repairs do not result in removal of interior wall or ceiling finishes exposing the structure, unless there is an attic, crawl space or basement available which could provide access for interconnection without the removal of interior finishes."

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

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

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

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

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

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

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

Section 4. Section **15A-3-204** is amended to read:

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

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

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

Section 5. Section **15A-3-206** is amended to read:

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

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

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

~~[(2)]~~ (3) In IRC, Section E3901.9, the following exception is added: "Exception: Receptacles or other outlets adjacent to the exterior walls of the garage, outlets

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

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

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

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

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

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

~~[(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"

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

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

Section 6. Section **17-27a-505.5** is amended to read:

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

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

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

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

(i) a state university;

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

(iii) a mountainous planning district; or

(b) four, for each other county.

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Section 7. Section 17-27a-526 is enacted to read:

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

(1) As used in this section, "internal accessory dwelling unit" means an accessory dwelling unit created:

(a) within a primary owner-occupied single-family dwelling; ~~f.f~~; and

~~(f.2) Subject to Subsection (3), in any zone or area permitting;~~ b) within the footprint of the dwelling described in Subsection (1)(a) at the time the internal accessory dwelling ~~units~~ unit is created.

(2) In any single-family residential zone:

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

(b) except as provided in Subsection (4), a county may not establish any restrictions or requirements for the construction or use of ~~fan~~ one internal accessory dwelling unit, including a restriction or requirement governing:

(i) the size of ~~fan~~ the internal accessory dwelling unit in relation to the primary dwelling within which the internal accessory dwelling unit is created;

(ii) total lot size; ~~f~~

~~(iii) parking;~~ or

~~(f.iv) iii~~ street frontage.

(3) An internal accessory dwelling unit shall comply with all applicable:

(a) building codes; and

(b) fire codes.

(4) A county may require that a lot containing an internal accessory dwelling unit provide one additional on-site parking space.

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

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

(1) As used in this section:

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

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

(c) "Lender" means a trust company, savings bank, savings and loan association, bank,

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credit union, or any other entity that provides low-income ADU loans directly to borrowers.

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

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

(ii) rented to a low-income individual.

(e) "Low-income individual" means an individual whose household income is less than 80% of the area median income.

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

(3) The executive director may not provide a loan guarantee for a low-income ADU loan under this section unless:

(a) the lender:

(i) agrees in writing to participate in the loan guarantee program;

(ii) makes available to prospective borrowers the option of receiving a low-income

ADU loan that:

(A) has a term of 15 years; and

(B) charges interest at a fixed rate;

(iii) monitors the activities of the borrower on a yearly basis during the term of the loan

to ensure the borrower's compliance with:

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

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

(iv) promptly notifies the executive director in writing if the borrower fails to comply

with:

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

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

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

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

(ii) if different from the loan terms described in Subsection (3)(a)(ii), are mutually

agreed upon by the lender and the borrower; and

(c) the borrower:

(i) agrees in writing to participate in the loan guarantee program;

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

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

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

(B) for the remainder of the term of the loan; and

(iv) rents the accessory dwelling unit to a low-income individual:

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

(B) for the remainder of the term of the loan.

(4) At the direction of the board, the executive director shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:

(a) the minimum criteria for lenders and borrowers to participate in the loan guarantee program;

(b) the terms and conditions for loan guarantees provided under this section, consistent with Subsection (3); and

(c) procedures for the loan guarantee process.

Section 9. Section **35A-8-505** is amended to read:

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

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

(1) provide fund money to any of the following activities:

(a) the acquisition, rehabilitation, or new construction of low-income housing units;

(b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;

(c) the development and construction of accessible housing designed for low-income persons;

(d) the construction or improvement of a shelter or transitional housing facility that provides services intended to prevent or minimize homelessness among members of a specific homeless subpopulation;

(e) the purchase of an existing facility to provide temporary or transitional housing for the homeless in an area that does not require rezoning before providing such temporary or transitional housing;

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- (f) the purchase of land that will be used as the site of low-income housing units;
- (g) the preservation of existing affordable housing units for low-income persons; [~~and~~]
- (h) providing loan guarantees under Section 35A-8-504.5; and

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

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

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

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

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

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

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

Section 10. Section **57-8a-209** is amended to read:

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

- (1) (a) Subject to Subsections (1)(b), (5), [~~and~~] (6), and (10), an association may:
  - (i) create restrictions on the number and term of rentals in an association; or

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(ii) prohibit rentals in the association.

(b) An association that creates a rental restriction or prohibition in accordance with Subsection (1)(a) shall create the rental restriction or prohibition in a recorded declaration of covenants, conditions, and restrictions, or by amending the recorded declaration of covenants, conditions, and restrictions.

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

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

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

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

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

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

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

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

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

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

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

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

(i) the lot owner occupies the lot;

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

(iii) the lot is transferred; and

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) adopts a rental restriction or prohibition; or

(B) amends an existing rental restriction or prohibition.

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

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

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

(b) when the restriction or prohibition requires an amendment to the association's recorded declaration of covenants, conditions, and restrictions, the association fulfills all other requirements for amending the recorded declaration of covenants, conditions, and restrictions

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described in the association's governing documents.

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

- (a) obtain the association's approval of a prospective renter;
- (b) give the association:
  - (i) a copy of a rental application;
  - (ii) a copy of a renter's or prospective renter's credit information or credit report;
  - (iii) a copy of a renter's or prospective renter's background check; or
  - (iv) documentation to verify the renter's age; or
- (c) pay an additional assessment, fine, or fee because the lot is a rental lot.

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

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

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

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

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

- (a) land use ordinances;
- (b) building codes; and
- (c) fire codes.

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

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Section 11. Section **57-8a-218** is amended to read:

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

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

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

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

(ii) differ between residential and nonresidential uses; and

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

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

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

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

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

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

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

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

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

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

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

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(b) Notwithstanding Subsection (3)(a), the association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling or lot.

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

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

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

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

(5) (a) A rule may not interfere with the freedom of a lot owner to determine the composition of the lot owner's household.

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

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

or

(ii) limit the total number of occupants permitted in each residential dwelling on the basis of the residential dwelling's:

(A) size and facilities; and

(B) fair use of the common areas.

(6) (a) A rule may not interfere with an activity of a lot owner within the confines of a dwelling or lot, to the extent that the activity is in compliance with local laws and ordinances.

(b) Notwithstanding Subsection (6)(a), a rule may prohibit an activity within a dwelling on an owner's lot if the activity:

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

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

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

(C) generates excessive noise or traffic;

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

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

(F) if there are attached dwellings, creates the potential for smoke to enter another lot owner's dwelling, the common areas, or limited common areas.

(c) If permitted by law, an association may adopt rules described in Subsection (6)(b) that affect the use of or behavior inside the dwelling.

(7) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written objection to the board, alter the allocation of financial burdens among the various lots.

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

- (i) change the common areas available to a lot owner;
- (ii) adopt generally applicable rules for the use of common areas; or
- (iii) deny use privileges to a lot owner who:
  - (A) is delinquent in paying assessments;
  - (B) abuses the common areas; or
  - (C) violates the governing documents.

(c) This Subsection (7) does not permit a rule that:

- (i) alters the method of levying assessments; or
- (ii) increases the amount of assessments as provided in the declaration.

(8) (a) Subject to Subsection (8)(b), a rule may not:

- (i) prohibit the transfer of a lot; or
- (ii) require the consent of the association or board to transfer a lot.

(b) Unless contrary to a declaration, a rule may require a minimum lease term.

(9) (a) A rule may not require a lot owner to dispose of personal property that was in or on a lot before the adoption of the rule or design criteria if the personal property was in compliance with all rules and other governing documents previously in force.

(b) The exemption in Subsection (9)(a):

- (i) applies during the period of the lot owner's ownership of the lot; and
- (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of the rule described in Subsection (9)(a).

(10) A rule or action by the association or action by the board may not unreasonably impede a declarant's ability to satisfy existing development financing for community improvements and right to develop:

- (a) the project; or
- (b) other properties in the vicinity of the project.

(11) A rule or association or board action may not interfere with:

- (a) the use or operation of an amenity that the association does not own or control; or
- (b) the exercise of a right associated with an easement.

(12) A rule may not divest a lot owner of the right to proceed in accordance with a completed application for design review, or to proceed in accordance with another approval

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process, under the terms of the governing documents in existence at the time the completed application was submitted by the owner for review.

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

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

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

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

(ii) a service provided to a lot owner;

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

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

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

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

(i) a local land use ordinance;

(ii) a building code; or

(iii) a fire code.

~~(14)~~ (15) A rule shall be reasonable.

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

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

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