

Representative James A. Dunnigan proposes the following substitute bill:

SINGLE-FAMILY HOUSING MODIFICATIONS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Raymond P. Ward

Senate Sponsor: _____

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 single-family residential land use zone:
 - requires municipalities and counties to classify certain accessory dwelling units as a permitted land use; and
 - allows municipalities and counties to establish specified restrictions or requirements for the construction or use of certain accessory dwelling units;
- ▶ 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



26 ▶ makes technical and conforming changes.

27 **Money Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **10-9a-505.5**, as last amended by Laws of Utah 2012, Chapter 172

34 **15A-3-202**, as last amended by Laws of Utah 2020, Chapter 441

35 **15A-3-204**, as last amended by Laws of Utah 2016, Chapter 249

36 **15A-3-206**, as last amended by Laws of Utah 2018, Chapter 186

37 **17-27a-505.5**, as last amended by Laws of Utah 2015, Chapter 465

38 **35A-8-505**, as last amended by Laws of Utah 2020, Chapter 241

39 **57-8a-209**, as last amended by Laws of Utah 2018, Chapter 395

40 **57-8a-218**, as last amended by Laws of Utah 2017, Chapter 131

41 ENACTS:

42 **10-9a-530**, Utah Code Annotated 1953

43 **17-27a-526**, Utah Code Annotated 1953

44 **35A-8-504.5**, Utah Code Annotated 1953



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

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

48 **10-9a-505.5. Limit on single family designation.**

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

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

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

54 (i) a state university; or

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

56 (b) four, for each other municipality.

57 Section 2. Section **10-9a-530** is enacted to read:

58 **10-9a-530. Internal accessory dwelling units.**

59 (1) As used in this section:

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

61 (i) within a primary dwelling; and

62 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the
63 time the internal accessory dwelling unit is created.

64 (b) "Primary dwelling" means an owner-occupied single-family dwelling.

65 (2) (a) Subject to Subsection (2)(b), the use of an internal accessory dwelling unit is a
66 permitted use in any single-family residential zone.

67 (b) A municipality may:

68 (i) require that the internal accessory dwelling unit be designed in manner that does not
69 change the appearance of the primary dwelling as a single-family dwelling;

70 (ii) limit the number of internal accessory dwelling units created within a primary
71 dwelling to no more than one internal accessory dwelling unit;

72 (iii) require that each entrance to the internal accessory dwelling unit be located on the
73 side or rear of the primary dwelling;

74 (iv) limit the number of bedrooms in an internal accessory dwelling unit to no more
75 than two bedrooms;

76 (v) prohibit the installation of a separate utility meter for an internal accessory dwelling
77 unit;

78 (vi) prohibit the assignment of a separate mailing address for an internal accessory
79 dwelling unit;

80 (vii) require one additional on-site parking space for an accessory dwelling unit;

81 (viii) prohibit the creation of an internal accessory dwelling unit within a manufactured
82 home as defined in Section [15A-1-302](#); and

83 (ix) require the owner of the primary dwelling to obtain a license for renting the
84 internal accessory dwelling unit.

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

86 (a) building codes; and

87 (b) fire codes.

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

89 **15A-3-202. Amendments to Chapters 1 through 5 of IRC.**

90 (1) In IRC, Section R102, a new Section R102.7.2 is added as follows: "R102.7.2

91 Physical change for bedroom window egress. A structure whose egress window in an existing
92 bedroom is smaller than required by this code, and that complied with the construction code in
93 effect at the time that the bedroom was finished, is not required to undergo a physical change to
94 conform to this code if the change would compromise the structural integrity of the structure or
95 could not be completed in accordance with other applicable requirements of this code,
96 including setback and window well requirements."

97 (2) In IRC, Section R108.3, the following sentence is added at the end of the section:

98 "The building official shall not request proprietary information."

99 (3) In IRC, Section 109:

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

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

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

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

118 [~~(5)~~] (6) In IRC, Section R202, the following definition is added: "CERTIFIED

119 BACKFLOW PREVENTER ASSEMBLY TESTER: A person who has shown competence to
120 test Backflow prevention assemblies to the satisfaction of the authority having jurisdiction
121 under Utah Code, Subsection 19-4-104(4)."

122 [~~(6)~~] (7) In IRC, Section R202, the definition of "Cross Connection" is deleted and
123 replaced with the following: "CROSS CONNECTION. Any physical connection or potential
124 connection or arrangement between two otherwise separate piping systems, one of which
125 contains potable water and the other either water of unknown or questionable safety or steam,
126 gas, or chemical, whereby there exists the possibility for flow from one system to the other,
127 with the direction of flow depending on the pressure differential between the two systems (see
128 "Backflow, Water Distribution")."

129 [(8)] (8) In IRC, Section 202, in the definition for gray water a comma is inserted after
130 the word "washers"; the word "and" is deleted; and the following is added to the end: "and
131 clear water wastes which have a pH of 6.0 to 9.0; are non-flammable; non-combustible;
132 without objectionable odors; non-highly pigmented; and will not interfere with the operation of
133 the sewer treatment facility."

134 [(8)] (9) In IRC, Section R202, the definition of "Potable Water" is deleted and
135 replaced with the following: "POTABLE WATER. Water free from impurities present in
136 amounts sufficient to cause disease or harmful physiological effects and conforming to the
137 Utah Code, Title 19, Chapter 4, Safe Drinking Water Act, and Title 19, Chapter 5, Water
138 Quality Act, and the regulations of the public health authority having jurisdiction."

139 [(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

149	Fillmore	Millard	30	5138
150	Heber City	Wasatch	60	5604
151	Junction	Piute	27	6030
152	Kanab	Kane	25	4964
153	Loa	Wayne	37	7060
154	Logan	Cache	43	4531
155	Manila	Daggett	26	6368
156	Manti	Sanpete	37	5620
157	Moab	Grand	21	4029
158	Monticello	San Juan	67	7064
159	Morgan	Morgan	52	5062
160	Nephi	Juab	39	5131
161	Ogden	Weber	37	4334
162	Panguitch	Garfield	41	6630
163	Parowan	Iron	32	6007
164	Price	Carbon	31	5558
165	Provo	Utah	31	4541
166	Randolph	Rich	50	6286
167	Richfield	Sevier	27	5338
168	St. George	Washington	21	2585
169	Salt Lake City	Salt Lake	28	4239
170	Tooele	Tooele	35	5029
171	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.

172

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.

173 ~~[(10)]~~ (11) IRC, Section R301.6, is deleted and replaced with the following: "R301.6
174 Utah Snow Loads. The snow loads specified in Table R301.2(5b) shall be used for the
175 jurisdictions identified in that table. Otherwise, for other locations in Utah, see Bean, B.,
176 Maguire, M., Sun, Y. (2018), "The Utah Snow Load Study," Utah State University Civil and
177 Environmental Engineering Faculty Publications, Paper 3589, <http://utahsnowload.usu.edu/>, for
178 ground snow load values."

179 ~~[(11)]~~ (12) In IRC, Section R302.2, the following sentence is added after the second
180 sentence: "When an access/maintenance agreement or easement is in place, plumbing,
181 mechanical ducting, schedule 40 steel gas pipe, and electric service conductors including
182 feeders, are permitted to penetrate the common wall at grade, above grade, or below grade."

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

187 ~~[(12)]~~ (14) In IRC, Section R302.5.1, the words "self-closing device" are deleted and
188 replaced with "self-latching hardware."

189 ~~[(13)]~~ (15) IRC, Section R302.13, is deleted.

190 ~~[(14)]~~ (16) In IRC, Section R303.4, the number "5" is changed to "3" in the first
191 sentence.

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

194 ~~[(15)]~~ (18) IRC, Sections R311.7.4 through R311.7.5.3, are deleted and replaced with

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

199 R311.7.5.2 Tread depth. The minimum tread depth shall be 9 inches (228 mm). The tread
200 depth shall be measured horizontally between the vertical planes of the foremost projection of
201 adjacent treads and at a right angle to the tread's leading edge. The greatest tread depth within
202 any flight of stairs shall not exceed the smallest by more than 3/8 inch (9.5 mm). Winder
203 treads shall have a minimum tread depth of 10 inches (254 mm) measured as above at a point
204 12 inches (305 mm) from the side where the treads are narrower. Winder treads shall have a
205 minimum tread depth of 6 inches (152 mm) at any point. Within any flight of stairs, the
206 greatest winder tread depth at the 12-inch (305 mm) walk line shall not exceed the smallest by
207 more than 3/8 inch (9.5 mm).

208 R311.7.5.3 Profile. The radius of curvature at the leading edge of the tread shall be no greater
209 than 9/16 inch (14.3 mm). A nosing not less than 3/4 inch (19 mm) but not more than 1 1/4
210 inches (32 mm) shall be provided on stairways with solid risers. The greatest nosing projection
211 shall not exceed the smallest nosing projection by more than 3/8 inch (9.5 mm) between two
212 stories, including the nosing at the level of floors and landings. Beveling of nosing shall not
213 exceed 1/2 inch (12.7 mm). Risers shall be vertical or sloped from the underside of the leading
214 edge of the tread above at an angle not more than 30 degrees (0.51 rad) from the vertical. Open
215 risers are permitted, provided that the opening between treads does not permit the passage of a
216 4-inch diameter (102 mm) sphere.

217 Exceptions.

- 218 1. A nosing is not required where the tread depth is a minimum of 10 inches (254 mm).
- 219 2. The opening between adjacent treads is not limited on stairs with a total rise of 30 inches
220 (762 mm) or less."

221 [~~(16)~~] (19) IRC, Section R312.2, is deleted.

222 [~~(17)~~] (20) IRC, Sections R313.1 through R313.2.1, are deleted and replaced with the
223 following: "R313.1 Design and installation. When installed, automatic residential fire
224 sprinkler systems for townhouses or one- and two-family dwellings shall be designed and
225 installed in accordance with Section P2904 or NFPA 13D."

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

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

230 [~~(18)~~] (23) In IRC, Section 315.3, the following words are added to the first sentence
231 after the word "installed": "on each level of the dwelling unit and."

232 [~~(19)~~] (24) In IRC, Section R315.5, a new exception, 3, is added as follows:
233 "3. Hard wiring of carbon monoxide alarms in existing areas shall not be required where the
234 alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing
235 the structure, unless there is an attic, crawl space or basement available which could provide
236 access for hard wiring, without the removal of interior finishes."

237 [~~(20)~~] (25) A new IRC, Section R315.7, is added as follows: " R315.7 Interconnection.
238 Where more than one carbon monoxide alarm is required to be installed within an individual
239 dwelling unit in accordance with Section R315.1, the alarm devices shall be interconnected in
240 such a manner that the actuation of one alarm will activate all of the alarms in the individual
241 unit. Physical interconnection of smoke alarms shall not be required where listed wireless
242 alarms are installed and all alarms sound upon activation of one alarm.

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

247 [~~(21)~~] (26) In IRC, Section R317.1.5, the period is deleted and the following language
248 is added to the end of the paragraph: "or treated with a moisture resistant coating."

249 [~~(22)~~] (27) In IRC, Section 326.1, the words "residential provisions of the" are added
250 after the words "pools and spas shall comply with".

251 [~~(23)~~] (28) In IRC, Section R403.1.6, a new Exception 3 is added as follows: "3.
252 When anchor bolt spacing does not exceed 32 inches (813 mm) apart, anchor bolts may be
253 placed with a minimum of two bolts per plate section located not less than 4 inches (102 mm)
254 from each end of each plate section at interior bearing walls, interior braced wall lines, and at
255 all exterior walls."

256 [~~(24)~~] (29) In IRC, Section R403.1.6.1, a new exception is added at the end of Item 2

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

261 [~~(25)~~] (30) In IRC, Section R404.1, a new exception is added as follows: "Exception:
262 As an alternative to complying with Sections R404.1 through R404.1.5.3, concrete and
263 masonry foundation walls may be designed in accordance with IBC Sections 1807.1.5 and
264 1807.1.6 as amended in Section 1807.1.6.4 and Table 1807.1.6.4 under these rules."

265 [~~(26)~~] (31) In IRC, Section R405.1, a new exception is added as follows: "Exception:
266 When a geotechnical report has been provided for the property, a drainage system is not
267 required unless the drainage system is required as a condition of the geotechnical report. The
268 geological report shall make a recommendation regarding a drainage system."

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

270 **15A-3-204. Amendments to Chapters 16 through 25 of IRC.**

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

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

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

280 **15A-3-206. Amendments to Chapters 36 through 44 and Appendix F of IRC.**

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

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

286 [~~(2)~~] (3) In IRC, Section E3901.9, the following exception is added:

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

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

290 [~~(3)~~] (4) IRC, Section E3902.16 is deleted.

291 [~~(4)~~] (5) In Section E3902.17:

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

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

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

297 [~~(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"

300 [~~(6)~~] (7) (a) When passive radon controls or portions thereof are voluntarily installed,
 301 the voluntary installation shall comply with Appendix F of the IRC.

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

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

305 **17-27a-505.5. Limit on single family designation.**

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

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

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

311 (i) a state university;

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

313 (iii) a mountainous planning district; or

314 (b) four, for each other county.

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

316 **17-27a-526. Internal accessory dwelling units.**

317 (1) As used in this section:

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

319 (i) within a primary dwelling; and

320 (ii) within the footprint of the primary dwelling described in Subsection (1)(a)(i) at the
321 time the internal accessory dwelling unit is created.

322 (b) "Primary dwelling" means an owner-occupied single-family dwelling.

323 (2) (a) Subject to Subsection (2)(b), the use of an internal accessory dwelling unit is a
324 permitted use in any single-family residential zone.

325 (b) A county may:

326 (i) require that the internal accessory dwelling unit be designed in manner that does not
327 change the appearance of the primary dwelling as a single-family dwelling;

328 (ii) limit the number of internal accessory dwelling units created within a primary
329 dwelling to no more than one internal accessory dwelling unit;

330 (iii) require that each entrance to the internal accessory dwelling unit be located on the
331 side or rear of the primary dwelling;

332 (iv) limit the number of bedrooms in an internal accessory dwelling unit to no more
333 than two bedrooms;

334 (v) prohibit the installation of a separate utility meter for an internal accessory dwelling
335 unit;

336 (vi) prohibit the assignment of a separate mailing address for an internal accessory
337 dwelling unit;

338 (vii) require one additional on-site parking space for an accessory dwelling unit;

339 (viii) prohibit the creation of an internal accessory dwelling unit within a manufactured
340 home as defined in Section [15A-1-302](#); and

341 (ix) require the owner of the primary dwelling to obtain a license for renting the
342 internal accessory dwelling unit.

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

344 (a) building codes; and

345 (b) fire codes.

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

347 **35A-8-504.5. Low-income ADU loan guarantee program.**

348 (1) As used in this section:

349 (a) "Accessory dwelling unit" means the same as that term is defined in Section

350 10-9a-103.

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

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

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

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

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

359 (e) "Low-income individual" means an individual whose household income is less than
360 80% of the area median income.

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

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

365 (a) the lender:

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

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

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

370 (B) charges interest at a fixed rate;

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

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

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

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

- 377 (A) Subsection (3)(c); or
- 378 (B) any other term or condition of the loan;
- 379 (b) the loan terms of the low-income ADU loan:
- 380 (i) are consistent with the loan terms described in Subsection (3)(a)(ii); or
- 381 (ii) if different from the loan terms described in Subsection (3)(a)(ii), are mutually
- 382 agreed upon by the lender and the borrower; and
- 383 (c) the borrower:
- 384 (i) agrees in writing to participate in the loan guarantee program;
- 385 (ii) constructs an accessory dwelling unit on the borrower's residential property within
- 386 one year after the day on which the borrower receives the loan;
- 387 (iii) occupies the primary residence to which the accessory dwelling unit is associated:
- 388 (A) after the accessory dwelling unit is completed; and
- 389 (B) for the remainder of the term of the loan; and
- 390 (iv) rents the accessory dwelling unit to a low-income individual:
- 391 (A) after the accessory dwelling unit is completed; and
- 392 (B) for the remainder of the term of the loan.
- 393 (4) At the direction of the board, the executive director shall make rules in accordance
- 394 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:
- 395 (a) the minimum criteria for lenders and borrowers to participate in the loan guarantee
- 396 program;
- 397 (b) the terms and conditions for loan guarantees provided under this section, consistent
- 398 with Subsection (3); and
- 399 (c) procedures for the loan guarantee process.

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

401 **35A-8-505. Activities authorized to receive fund money -- Powers of the executive**
402 **director.**

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

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

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

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

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

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

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

416 (f) the purchase of land that will be used as the site of low-income housing units;

417 (g) the preservation of existing affordable housing units for low-income persons; [~~and~~]

418 (h) providing loan guarantees under Section 35A-8-504.5; and

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

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

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

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

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

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

439 proceeding with foreclosure actions, and taking other actions necessary or incidental to the
440 performance of its duties; and

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

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

444 **57-8a-209. Rental restrictions.**

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

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

447 (ii) prohibit rentals in the association.

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

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

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

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

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

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

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

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

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

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

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

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

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

- 470 (i) the lot owner occupies the lot;
- 471 (ii) an officer, owner, member, trustee, beneficiary, director, or person holding a
472 similar position of ownership or control of an entity or trust that holds an ownership interest in
473 the lot, occupies the lot; or
- 474 (iii) the lot is transferred; and
- 475 (c) a requirement that the association create, by rule or resolution, procedures to:
- 476 (i) determine and track the number of rentals and lots in the association subject to the
477 provisions described in Subsections (2)(a) and (b); and
- 478 (ii) ensure consistent administration and enforcement of the rental restrictions.
- 479 (3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the
480 following occur:
- 481 (a) the conveyance, sale, or other transfer of a lot by deed;
- 482 (b) the granting of a life estate in the lot; or
- 483 (c) if the lot is owned by a limited liability company, corporation, partnership, or other
484 business entity, the sale or transfer of more than 75% of the business entity's share, stock,
485 membership interests, or partnership interests in a 12-month period.
- 486 (4) This section does not limit or affect residency age requirements for an association
487 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec.
488 3607.
- 489 (5) A declaration of covenants, conditions, and restrictions or amendments to the
490 declaration of covenants, conditions, and restrictions recorded before the transfer of the first lot
491 from the initial declarant may prohibit or restrict rentals without providing for the exceptions,
492 provisions, and procedures required under Subsection (2).
- 493 (6) (a) Subsections (1) through (5) do not apply to:
- 494 (i) an association that contains a time period unit as defined in Section [57-8-3](#);
- 495 (ii) any other form of timeshare interest as defined in Section [57-19-2](#); or
- 496 (iii) subject to Subsection (6)(b), an association that is formed before May 12, 2009,
497 unless, on or after May 12, 2015, the association:
- 498 (A) adopts a rental restriction or prohibition; or
- 499 (B) amends an existing rental restriction or prohibition.
- 500 (b) An association that adopts a rental restriction or amends an existing rental

501 restriction or prohibition before May 9, 2017, is not required to include the exemption
502 described in Subsection (2)(a)(iv).

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

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

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

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

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

513 (b) give the association:

514 (i) a copy of a rental application;

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

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

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

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

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

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

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

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

531 (10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the

532 rental of an internal accessory dwelling unit, as defined in Section 10-9a-530, constructed
533 within a lot owner's residential lot, if the internal accessory dwelling unit complies with all
534 applicable:

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

538 [~~(10)~~] (11) The provisions of Subsections (8) [~~and (9)~~] through (10) apply to an
539 association regardless of when the association is created.

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

541 **57-8a-218. Equal treatment by rules required -- Limits on association rules and**
542 **design criteria.**

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

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

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

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

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

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

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

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

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

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

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

563 the lot tenant or lot owner; or

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

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

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

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

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

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

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

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

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

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

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

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

581 or

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

584 (A) size and facilities; and

585 (B) fair use of the common areas.

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

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

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

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

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

593 (C) generates excessive noise or traffic;

594 (D) creates unsightly conditions visible from outside the dwelling;
595 (E) creates an unreasonable source of annoyance to persons outside the lot; or
596 (F) if there are attached dwellings, creates the potential for smoke to enter another lot
597 owner's dwelling, the common areas, or limited common areas.

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

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

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

- 603 (i) change the common areas available to a lot owner;
- 604 (ii) adopt generally applicable rules for the use of common areas; or
- 605 (iii) deny use privileges to a lot owner who:

606 (A) is delinquent in paying assessments;

607 (B) abuses the common areas; or

608 (C) violates the governing documents.

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

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

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

613 (i) prohibit the transfer of a lot; or

614 (ii) require the consent of the association or board to transfer a lot.

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

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

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

620 (i) applies during the period of the lot owner's ownership of the lot; and

621 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
622 the rule described in Subsection (9)(a).

623 (10) A rule or action by the association or action by the board may not unreasonably
624 impede a declarant's ability to satisfy existing development financing for community

625 improvements and right to develop:

626 (a) the project; or

627 (b) other properties in the vicinity of the project.

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

629 (a) the use or operation of an amenity that the association does not own or control; or

630 (b) the exercise of a right associated with an easement.

631 (12) A rule may not divest a lot owner of the right to proceed in accordance with a

632 completed application for design review, or to proceed in accordance with another approval

633 process, under the terms of the governing documents in existence at the time the completed

634 application was submitted by the owner for review.

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

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

637 areas;

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

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

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

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

642 (d) provide for the indemnification of the association's officers and board consistent

643 with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

644 (14) (a) Except as provided in Subsection (14)(b), a rule may not prohibit the owner of

645 a residential lot from constructing an internal accessory dwelling unit, as defined in Section

646 10-9a-530, within the owner's residential lot.

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

648 (i) a local land use ordinance;

649 (ii) a building code; or

650 (iii) a fire code.

651 [~~14~~] (15) A rule shall be reasonable.

652 [~~15~~] (16) A declaration, or an amendment to a declaration, may vary any of the

653 requirements of Subsections (1) through (13), except Subsection (1)(b)(ii).

654 [~~16~~] (17) A rule may not be inconsistent with a provision of the association's

655 declaration, bylaws, or articles of incorporation.

656 [~~(17)~~] (18) This section applies to an association regardless of when the association is
657 created.