

Senator Wayne A. Harper proposes the following substitute bill:

CONDOMINIUM AND COMMUNITY ASSOCIATION

AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: A. Cory Maloy

LONG TITLE

General Description:

This bill amends provisions governing community associations and condominium associations.

Highlighted Provisions:

This bill:

- ▶ amends certain provisions of the Utah Nonprofit Corporation Act that apply to community associations;
- ▶ provides certain qualifications for a director on a board or member of management committee;
- ▶ provides that an association of unit owners or community association may disqualify an individual from being a director on a board or member of a management committee for certain criminal violations;
- ▶ provides that a community association rule may not prohibit low water use on lawns during drought conditions;
- ▶ requires a community association created before March 5, 2023, to adopt required rules regarding water efficient landscaping before June 30, 2023;
- ▶ permits an association of unit owners or community association to adopt a rule



26 restricting sex offenders from certain areas the association maintains, operates, or owns;

27 ▶ provides that a community association that registers, or renews or updates the
28 association's registration, with the Department of Commerce is subject to the

29 Community Association Act;

30 ▶ permits certain community associations to charge an annual fee to a lot owner who
31 owns a rental lot;

32 ▶ permits certain associations of unit owners to charge an annual fee to a unit owner
33 who owns a rental unit;

34 ▶ clarifies provisions related to charging systems for electric or hybrid electric
35 vehicles;

36 ▶ clarifies provisions related to the application of regulations related to solar system
37 installation to attached dwellings;

38 ▶ requires an action against a community association board or board member for a
39 violation of certain provisions to be brought no later than 18 months after the
40 challenged board action;

41 ▶ defines terms; and

42 ▶ makes technical and conforming changes.

43 **Money Appropriated in this Bill:**

44 None

45 **Other Special Clauses:**

46 None

47 **Utah Code Sections Affected:**

48 AMENDS:

49 **16-6a-102**, as last amended by Laws of Utah 2017, Chapter 358

50 **16-6a-1602**, as enacted by Laws of Utah 2000, Chapter 300

51 **57-8-3**, as last amended by Laws of Utah 2020, Chapter 398

52 **57-8-8.1**, as last amended by Laws of Utah 2022, Chapter 439

53 **57-8-8.2**, as enacted by Laws of Utah 2022, Chapter 439

54 **57-8-10.1**, as last amended by Laws of Utah 2018, Chapter 395

55 **57-8-59**, as enacted by Laws of Utah 2018, Chapter 395

56 **57-8a-102**, as last amended by Laws of Utah 2020, Chapter 398

- 57 [57-8a-105](#), as last amended by Laws of Utah 2020, Chapter 75
 - 58 [57-8a-209](#), as last amended by Laws of Utah 2021, Chapter 102
 - 59 [57-8a-217](#), as last amended by Laws of Utah 2015, Chapter 325
 - 60 [57-8a-218](#), as last amended by Laws of Utah 2022, Chapter 439
 - 61 [57-8a-501](#), as enacted by Laws of Utah 2013, Chapter 152
 - 62 [57-8a-701](#), as last amended by Laws of Utah 2022, Chapter 439
 - 63 [57-8a-802](#), as enacted by Laws of Utah 2022, Chapter 439
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65 *Be it enacted by the Legislature of the state of Utah:*

66 Section 1. Section **16-6a-102** is amended to read:

67 **16-6a-102. Definitions.**

68 As used in this chapter:

69 (1) (a) "Address" means a location where mail can be delivered by the United States
70 Postal Service.

71 (b) "Address" includes:

- 72 (i) a post office box number;
- 73 (ii) a rural free delivery route number; and
- 74 (iii) a street name and number.

75 (2) "Affiliate" means a person that directly or indirectly through one or more
76 intermediaries controls, or is controlled by, or is under common control with, the person
77 specified.

78 (3) "Articles of incorporation" include:

- 79 (a) amended articles of incorporation;
- 80 (b) restated articles of incorporation;
- 81 (c) articles of merger; and
- 82 (d) a document of a similar import to the documents described in Subsections (3)(a)
83 through (c).

84 (4) "Assumed corporate name" means a name assumed for use in this state:

- 85 (a) by a:
 - 86 (i) foreign corporation pursuant to Section [16-10a-1506](#); or
 - 87 (ii) a foreign nonprofit corporation pursuant to Section [16-6a-1506](#); and

88 (b) because the corporate name of the foreign corporation described in Subsection
89 (4)(a) is not available for use in this state.

90 (5) (a) Except as provided in Subsection (5)(b), "board of directors" means the body
91 authorized to manage the affairs of a domestic or foreign nonprofit corporation.

92 (b) Notwithstanding Subsection (5)(a), a person may not be considered a member of
93 the board of directors because of a power delegated to that person pursuant to Subsection
94 16-6a-801(2).

95 (6) (a) "Bylaws" means the one or more codes of rules, other than the articles of
96 incorporation, adopted pursuant to this chapter for the regulation or management of the affairs
97 of a domestic or foreign nonprofit corporation irrespective of the one or more names by which
98 the codes of rules are designated.

99 (b) "Bylaws" includes:

100 (i) amended bylaws; and

101 (ii) restated bylaws.

102 (7) (a) "Cash" or "money" means:

103 (i) legal tender;

104 (ii) a negotiable instrument; or

105 (iii) other cash equivalent readily convertible into legal tender.

106 (b) "Cash" and "money" are used interchangeably in this chapter.

107 (8) (a) "Class" means a group of memberships that has the same right with respect to
108 voting, dissolution, redemption, transfer, or other characteristics.

109 (b) For purposes of Subsection (8)(a), a right is considered the same if it is determined
110 by a formula applied uniformly to a group of memberships.

111 (9) (a) "Conspicuous" means so written that a reasonable person against whom the
112 writing is to operate should have noticed the writing.

113 (b) "Conspicuous" includes printing or typing in:

114 (i) italics;

115 (ii) boldface;

116 (iii) contrasting color;

117 (iv) capitals; or

118 (v) underlining.

119 (10) "Control" or a "controlling interest" means the direct or indirect possession of the
120 power to direct or cause the direction of the management and policies of an entity by:

- 121 (a) the ownership of voting shares;
- 122 (b) contract; or
- 123 (c) a means other than those specified in Subsection (10)(a) or (b).

124 (11) Subject to Section [16-6a-207](#), "cooperative nonprofit corporation" or
125 "cooperative" means a nonprofit corporation organized or existing under this chapter.

126 (12) "Corporate name" means:

127 (a) the name of a domestic corporation as stated in the domestic corporation's articles
128 of incorporation;

129 (b) the name of a domestic nonprofit corporation as stated in the domestic nonprofit
130 corporation's articles of incorporation;

131 (c) the name of a foreign corporation as stated in the foreign corporation's:

- 132 (i) articles of incorporation; or
- 133 (ii) document of similar import to articles of incorporation; or

134 (d) the name of a foreign nonprofit corporation as stated in the foreign nonprofit
135 corporation's:

- 136 (i) articles of incorporation; or
- 137 (ii) document of similar import to articles of incorporation.

138 (13) (a) "Corporate records" means the records described in Section [16-6a-1601](#).

139 (b) "Corporate records" does not include correspondence, communications, notes, or
140 other similar information, regardless of format or method of storage, that are not an official
141 decision, published document, or record of the corporation.

142 [~~13~~] (14) "Corporation" or "domestic corporation" means a corporation for profit that:

- 143 (a) is not a foreign corporation; and
- 144 (b) is incorporated under or subject to Chapter 10a, Utah Revised Business Corporation
145 Act.

146 [~~14~~] (15) "Delegate" means a person elected or appointed to vote in a representative
147 assembly:

- 148 (a) for the election of a director; or
- 149 (b) on matters other than the election of a director.

150 ~~[(15)]~~ (16) "Deliver" includes delivery by mail or another means of transmission
151 authorized by Section [16-6a-103](#), except that delivery to the division means actual receipt by
152 the division.

153 ~~[(16)]~~ (17) "Director" means a member of the board of directors.

154 ~~[(17)]~~ (18) (a) "Distribution" means the payment of a dividend or any part of the
155 income or profit of a nonprofit corporation to the nonprofit corporation's:

156 (i) members;

157 (ii) directors; or

158 (iii) officers.

159 (b) "Distribution" does not include a fair-value payment for:

160 (i) a good sold; or

161 (ii) a service received.

162 ~~[(18)]~~ (19) "Division" means the Division of Corporations and Commercial Code.

163 ~~[(19)]~~ (20) "Effective date," when referring to a document filed by the division, means
164 the time and date determined in accordance with Section [16-6a-108](#).

165 ~~[(20)]~~ (21) "Effective date of notice" means the date notice is effective as provided in
166 Section [16-6a-103](#).

167 ~~[(21)]~~ (22) "Electronic transmission" or "electronically transmitted" means a process of
168 communication not directly involving the physical transfer of paper that is suitable for the
169 receipt, retention, retrieval, and reproduction of information by the recipient, whether by email,
170 texting, facsimile, or otherwise.

171 ~~[(22)]~~ (23) (a) "Employee" includes an officer of a nonprofit corporation.

172 (b) (i) Except as provided in Subsection ~~[(22)(b)(ii)]~~ (23)(b)(ii), "employee" does not
173 include a director of a nonprofit corporation.

174 (ii) Notwithstanding Subsection ~~[(22)(b)(i)]~~ (23)(b)(i), a director may accept one or
175 more duties that make that director an employee of a nonprofit corporation.

176 ~~[(23)]~~ (24) "Entity" includes:

177 (a) a domestic or foreign corporation;

178 (b) a domestic or foreign nonprofit corporation;

179 (c) a limited liability company;

180 (d) a profit or nonprofit unincorporated association;

- 181 (e) a business trust;
- 182 (f) an estate;
- 183 (g) a partnership;
- 184 (h) a trust;
- 185 (i) two or more persons having a joint or common economic interest;
- 186 (j) a state;
- 187 (k) the United States; or
- 188 (l) a foreign government.
- 189 ~~[(24)]~~ (25) "Executive director" means the executive director of the Department of
- 190 Commerce.
- 191 ~~[(25)]~~ (26) "Foreign corporation" means a corporation for profit incorporated under a
- 192 law other than the laws of this state.
- 193 ~~[(26)]~~ (27) "Foreign nonprofit corporation" means an entity:
- 194 (a) incorporated under a law other than the laws of this state; and
- 195 (b) that would be a nonprofit corporation if formed under the laws of this state.
- 196 ~~[(27)]~~ (28) "Governmental entity" means:
- 197 (a) (i) the executive branch of the state;
- 198 (ii) the judicial branch of the state;
- 199 (iii) the legislative branch of the state;
- 200 (iv) an independent entity, as defined in Section [63E-1-102](#);
- 201 (v) a political subdivision of the state;
- 202 (vi) a state institution of higher education, as defined in Section [53B-3-102](#);
- 203 (vii) an entity within the state system of public education; or
- 204 (viii) the National Guard; or
- 205 (b) any of the following that is established or controlled by a governmental entity listed
- 206 in Subsection ~~[(27)(a)]~~ (28)(a) to carry out the public's business:
- 207 (i) an office;
- 208 (ii) a division;
- 209 (iii) an agency;
- 210 (iv) a board;
- 211 (v) a bureau;

- 212 (vi) a committee;
- 213 (vii) a department;
- 214 (viii) an advisory board;
- 215 (ix) an administrative unit; or
- 216 (x) a commission.
- 217 ~~[(28)]~~ (29) "Governmental subdivision" means:
- 218 (a) a county;
- 219 (b) a city;
- 220 (c) a town; or
- 221 (d) another type of governmental subdivision authorized by the laws of this state.
- 222 ~~[(29)]~~ (30) "Individual" means:
- 223 (a) a natural person;
- 224 (b) the estate of an incompetent individual; or
- 225 (c) the estate of a deceased individual.
- 226 ~~[(30)]~~ (31) "Internal Revenue Code" means the federal "Internal Revenue Code of
- 227 1986," as amended from time to time, or to corresponding provisions of subsequent internal
- 228 revenue laws of the United States of America.
- 229 ~~[(31)]~~ (32) (a) "Mail," "mailed," or "mailing" means deposit, deposited, or depositing
- 230 in the United States mail, properly addressed, first-class postage prepaid.
- 231 (b) "Mail," "mailed," or "mailing" includes registered or certified mail for which the
- 232 proper fee is paid.
- 233 ~~[(32)]~~ (33) (a) "Member" means one or more persons identified or otherwise appointed
- 234 as a member of a domestic or foreign nonprofit corporation as provided:
- 235 (i) in the articles of incorporation;
- 236 (ii) in the bylaws;
- 237 (iii) by a resolution of the board of directors; or
- 238 (iv) by a resolution of the members of the nonprofit corporation.
- 239 (b) "Member" includes:
- 240 (i) "voting member"; and
- 241 (ii) a shareholder in a water company.
- 242 ~~[(33)]~~ (34) "Membership" refers to the rights and obligations of a member or members.

- 243 [~~(34)~~] (35) "Mutual benefit corporation" means a nonprofit corporation:
- 244 (a) that issues shares of stock to its members evidencing a right to receive distribution
- 245 of water or otherwise representing property rights; or
- 246 (b) all of whose assets are contributed or acquired by or for the members of the
- 247 nonprofit corporation or their predecessors in interest to serve the mutual purposes of the
- 248 members.
- 249 [~~(35)~~] (36) "Nonprofit corporation" or "domestic nonprofit corporation" means an
- 250 entity that:
- 251 (a) is not a foreign nonprofit corporation; and
- 252 (b) is incorporated under or subject to this chapter.
- 253 [~~(36)~~] (37) "Notice" means the same as that term is defined in Section [16-6a-103](#).
- 254 [~~(37)~~] (38) "Party related to a director" means:
- 255 (a) the spouse of the director;
- 256 (b) a child of the director;
- 257 (c) a grandchild of the director;
- 258 (d) a sibling of the director;
- 259 (e) a parent of the director;
- 260 (f) the spouse of an individual described in Subsections [~~(37)(b)~~] (38)(b) through (e);
- 261 (g) an individual having the same home as the director;
- 262 (h) a trust or estate of which the director or another individual specified in this
- 263 Subsection [~~(37)~~] (38) is a substantial beneficiary; or
- 264 (i) any of the following of which the director is a fiduciary:
- 265 (i) a trust;
- 266 (ii) an estate;
- 267 (iii) an incompetent;
- 268 (iv) a conservatee; or
- 269 (v) a minor.
- 270 [~~(38)~~] (39) "Person" means an:
- 271 (a) individual; or
- 272 (b) entity.
- 273 [~~(39)~~] (40) "Principal office" means:

274 (a) the office, in or out of this state, designated by a domestic or foreign nonprofit
275 corporation as its principal office in the most recent document on file with the division
276 providing that information, including:

- 277 (i) an annual report;
- 278 (ii) an application for a certificate of authority; or
- 279 (iii) a notice of change of principal office; or

280 (b) if no principal office can be determined, a domestic or foreign nonprofit
281 corporation's registered office.

282 [~~40~~] (41) "Proceeding" includes:

- 283 (a) a civil suit;
- 284 (b) arbitration;
- 285 (c) mediation;
- 286 (d) a criminal action;
- 287 (e) an administrative action; or
- 288 (f) an investigatory action.

289 [~~41~~] (42) "Receive," when used in reference to receipt of a writing or other document
290 by a domestic or foreign nonprofit corporation, means the writing or other document is actually
291 received:

292 (a) by the domestic or foreign nonprofit corporation at:

- 293 (i) its registered office in this state; or
- 294 (ii) its principal office;

295 (b) by the secretary of the domestic or foreign nonprofit corporation, wherever the
296 secretary is found; or

297 (c) by another person authorized by the bylaws or the board of directors to receive the
298 writing or other document, wherever that person is found.

299 [~~42~~] (43) (a) "Record date" means the date established under Part 6, Members, or Part
300 7, Member Meetings and Voting, on which a nonprofit corporation determines the identity of
301 the nonprofit corporation's members.

302 (b) The determination described in Subsection [~~42~~](a) (43)(a) shall be made as of the
303 close of business on the record date unless another time for doing so is specified when the
304 record date is fixed.

305 ~~[(43)]~~ (44) "Registered agent" means the registered agent of:

306 (a) a domestic nonprofit corporation; or

307 (b) a foreign nonprofit corporation.

308 ~~[(44)]~~ (45) "Registered office" means the office within this state designated by a
309 domestic or foreign nonprofit corporation as its registered office in the most recent document
310 on file with the division providing that information, including:

311 (a) articles of incorporation;

312 (b) an application for a certificate of authority; or

313 (c) a notice of change of registered office.

314 ~~[(45)]~~ (46) "Secretary" means the corporate officer to whom the bylaws or the board of
315 directors delegates responsibility under Subsection [16-6a-818\(3\)](#) for:

316 (a) the preparation and maintenance of:

317 (i) minutes of the meetings of:

318 (A) the board of directors; or

319 (B) the members; and

320 (ii) the other records and information required to be kept by the nonprofit corporation
321 pursuant to Section [16-6a-1601](#); and

322 (b) authenticating records of the nonprofit corporation.

323 ~~[(46)]~~ (47) "Share" means a unit of interest in a nonprofit corporation.

324 ~~[(47)]~~ (48) "Shareholder" means a person in whose name a share is registered in the
325 records of a nonprofit corporation.

326 ~~[(48)]~~ (49) "State," when referring to a part of the United States, includes:

327 (a) a state;

328 (b) a commonwealth;

329 (c) the District of Columbia;

330 (d) an agency or governmental and political subdivision of a state, commonwealth, or
331 District of Columbia;

332 (e) territory or insular possession of the United States; or

333 (f) an agency or governmental and political subdivision of a territory or insular
334 possession of the United States.

335 ~~[(49)]~~ (50) "Street address" means:

- 336 (a) (i) street name and number;
- 337 (ii) city or town; and
- 338 (iii) United States post office zip code designation; or

339 (b) if, by reason of rural location or otherwise, a street name, number, city, or town
340 does not exist, an appropriate description other than that described in Subsection [~~(49)(a)~~
341 (50)(a)] fixing as nearly as possible the actual physical location, but only if the information
342 includes:

- 343 (i) the rural free delivery route;
- 344 (ii) the county; and
- 345 (iii) the United States post office zip code designation.

346 [~~(50)~~] (51) "Tribal nonprofit corporation" means a nonprofit corporation:

- 347 (a) incorporated under the law of a tribe; and
- 348 (b) that is at least 51% owned or controlled by the tribe.

349 [~~(51)~~] (52) "Tribe" means a tribe, band, nation, pueblo, or other organized group or
350 community of Indians, including an Alaska Native village, that is legally recognized as eligible
351 for and is consistent with a special program, service, or entitlement provided by the United
352 States to Indians because of their status as Indians.

353 [~~(52)~~] (53) "United States" includes a district, authority, office, bureau, commission,
354 department, and another agency of the United States of America.

355 [~~(53)~~] (54) "Vote" includes authorization by:

- 356 (a) written ballot; and
- 357 (b) written consent.

358 [~~(54)~~] (55) (a) "Voting group" means all the members of one or more classes of
359 members or directors that, under this chapter, the articles of incorporation, or the bylaws, are
360 entitled to vote and be counted together collectively on a matter.

361 (b) All members or directors entitled by this chapter, the articles of incorporation, or
362 the bylaws to vote generally on a matter are for that purpose a single voting group.

363 [~~(55)~~] (56) (a) "Voting member" means a person entitled to vote for all matters
364 required or permitted under this chapter to be submitted to a vote of the members, except as
365 otherwise provided in the articles of incorporation or bylaws.

366 (b) A person is not a voting member solely because of:

- 367 (i) a right the person has as a delegate;
- 368 (ii) a right the person has to designate a director; or
- 369 (iii) a right the person has as a director.
- 370 (c) Except as the bylaws may otherwise provide, "voting member" includes a
- 371 "shareholder" if the nonprofit corporation has shareholders.

372 [~~56~~] (57) "Water company" means:

- 373 (a) the same as that term is defined in Subsection 16-4-102(5); or
- 374 (b) a mutual benefit corporation, when the stock in the mutual benefit corporation
- 375 represents a right to receive a distribution of water for beneficial use.

376 Section 2. Section 16-6a-1602 is amended to read:

377 **16-6a-1602. Inspection of records by directors and members.**

378 (1) A director or member is entitled to inspect and copy any of the records of the

379 nonprofit corporation described in Subsection 16-6a-1601(5):

- 380 (a) during regular business hours;
- 381 (b) at the nonprofit corporation's principal office; and
- 382 (c) if the director or member gives the nonprofit corporation written demand, at least
- 383 five business days before the date on which the member wishes to inspect and copy the records.

384 (2) In addition to the rights set forth in Subsection (1), a director or member is entitled

385 to inspect and copy any of the other records of the nonprofit corporation described in

386 Subsections 16-6a-1601(2) through (5):

- 387 (a) during regular business hours;
- 388 (b) at a reasonable location specified by the nonprofit corporation; and
- 389 (c) at least five business days before the date on which the member wishes to inspect
- 390 and copy the records, if the director or member:

- 391 (i) meets the requirements of Subsection (3); and
- 392 (ii) gives the nonprofit corporation written demand.

393 (3) A director or member may inspect and copy the records described in Subsection (2)

394 only if:

- 395 (a) the demand is made:
- 396 (i) in good faith; and
- 397 (ii) for a proper purpose;

398 (b) the director or member describes with reasonable particularity the purpose and the
399 records the director or member desires to inspect; and

400 (c) the records are directly connected with the described purpose.

401 (4) Notwithstanding Section 16-6a-102, for purposes of this section:

402 (a) "member" includes:

403 (i) a beneficial owner whose membership interest is held in a voting trust; and

404 (ii) any other beneficial owner of a membership interest who establishes beneficial
405 ownership; and

406 (b) "proper purpose" means a purpose reasonably related to the demanding member's or
407 director's interest as a member or director.

408 (5) The right of inspection granted by this section may not be abolished or limited by
409 the articles of incorporation or bylaws.

410 (6) This section does not affect:

411 (a) the right of a director or member to inspect records under Section 16-6a-710;

412 (b) the right of a member to inspect records to the same extent as any other litigant if
413 the member is in litigation with the nonprofit corporation; or

414 (c) the power of a court, independent of this chapter, to compel the production of
415 corporate records for examination.

416 (7) A director or member may not use any information obtained through the inspection
417 or copying of records permitted by Subsection (2) for any purposes other than those set forth in
418 a demand made under Subsection (3).

419 Section 3. Section 57-8-3 is amended to read:

420 **57-8-3. Definitions.**

421 As used in this chapter:

422 (1) "Assessment" means any charge imposed by the association, including:

423 (a) common expenses on or against a unit owner pursuant to the provisions of the
424 declaration, bylaws, or this chapter; and

425 (b) an amount that an association of unit owners assesses to a unit owner under
426 Subsection 57-8-43(9)(g).

427 (2) "Association of unit owners" or "association" means all of the unit owners:

428 (a) acting as a group in accordance with the declaration and bylaws; or

429 (b) organized as a legal entity in accordance with the declaration.

430 (3) "Building" means a building, containing units, and comprising a part of the
431 property.

432 (4) "Commercial condominium project" means a condominium project that has no
433 residential units within the project.

434 (5) "Common areas and facilities" unless otherwise provided in the declaration or
435 lawful amendments to the declaration means:

436 (a) the land included within the condominium project, whether leasehold or in fee
437 simple;

438 (b) the foundations, columns, girders, beams, supports, main walls, roofs, halls,
439 corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the building;

440 (c) the basements, yards, gardens, parking areas, and storage spaces;

441 (d) the premises for lodging of janitors or persons in charge of the property;

442 (e) installations of central services such as power, light, gas, hot and cold water,
443 heating, refrigeration, air conditioning, and incinerating;

444 (f) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all
445 apparatus and installations existing for common use;

446 (g) such community and commercial facilities as may be provided for in the
447 declaration; and

448 (h) all other parts of the property necessary or convenient to its existence, maintenance,
449 and safety, or normally in common use.

450 (6) "Common expenses" means:

451 (a) all sums lawfully assessed against the unit owners;

452 (b) expenses of administration, maintenance, repair, or replacement of the common
453 areas and facilities;

454 (c) expenses agreed upon as common expenses by the association of unit owners; and

455 (d) expenses declared common expenses by this chapter, or by the declaration or the
456 bylaws.

457 (7) "Common profits," unless otherwise provided in the declaration or lawful
458 amendments to the declaration, means the balance of all income, rents, profits, and revenues
459 from the common areas and facilities remaining after the deduction of the common expenses.

460 (8) "Condominium" means the ownership of a single unit in a multiunit project
461 together with an undivided interest in common in the common areas and facilities of the
462 property.

463 (9) "Condominium plat" means a plat or plats of survey of land and units prepared in
464 accordance with Section 57-8-13.

465 (10) "Condominium project" means a real estate condominium project; a plan or
466 project whereby two or more units, whether contained in existing or proposed apartments,
467 commercial or industrial buildings or structures, or otherwise, are separately offered or
468 proposed to be offered for sale. Condominium project also means the property when the
469 context so requires.

470 (11) "Condominium unit" means a unit together with the undivided interest in the
471 common areas and facilities appertaining to that unit. Any reference in this chapter to a
472 condominium unit includes both a physical unit together with its appurtenant undivided interest
473 in the common areas and facilities and a time period unit together with its appurtenant
474 undivided interest, unless the reference is specifically limited to a time period unit.

475 (12) "Contractible condominium" means a condominium project from which one or
476 more portions of the land within the project may be withdrawn in accordance with provisions
477 of the declaration and of this chapter. If the withdrawal can occur only by the expiration or
478 termination of one or more leases, then the condominium project is not a contractible
479 condominium within the meaning of this chapter.

480 (13) "Convertible land" means a building site which is a portion of the common areas
481 and facilities, described by metes and bounds, within which additional units or limited common
482 areas and facilities may be created in accordance with this chapter.

483 (14) "Convertible space" means a portion of the structure within the condominium
484 project, which portion may be converted into one or more units or common areas and facilities,
485 including limited common areas and facilities in accordance with this chapter.

486 (15) "Declarant" means all persons who execute the declaration or on whose behalf the
487 declaration is executed. From the time of the recordation of any amendment to the declaration
488 expanding an expandable condominium, all persons who execute that amendment or on whose
489 behalf that amendment is executed shall also come within this definition. Any successors of
490 the persons referred to in this subsection who come to stand in the same relation to the

491 condominium project as their predecessors also come within this definition.

492 (16) "Declaration" means the instrument by which the property is submitted to the
493 provisions of this act, as it from time to time may be lawfully amended.

494 (17) "Electrical corporation" means the same as that term is defined in Section 54-2-1.

495 (18) "Expandable condominium" means a condominium project to which additional
496 land or an interest in it may be added in accordance with the declaration and this chapter.

497 (19) "Gas corporation" means the same as that term is defined in Section 54-2-1.

498 (20) "Governing documents":

499 (a) means a written instrument by which an association of unit owners may:

500 (i) exercise powers; or

501 (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
502 association of unit owners; and

503 (b) includes:

504 (i) articles of incorporation;

505 (ii) bylaws;

506 (iii) a plat;

507 (iv) a declaration of covenants, conditions, and restrictions; and

508 (v) rules of the association of unit owners.

509 (21) "Independent third party" means a person that:

510 (a) is not related to the unit owner;

511 (b) shares no pecuniary interests with the unit owner; and

512 (c) purchases the unit in good faith and without the intent to defraud a current or future
513 lienholder.

514 (22) "Judicial foreclosure" means a foreclosure of a unit:

515 (a) for the nonpayment of an assessment;

516 (b) in the manner provided by law for the foreclosure of a mortgage on real property;

517 and

518 (c) as provided in this chapter.

519 (23) "Leasehold condominium" means a condominium project in all or any portion of
520 which each unit owner owns an estate for years in his unit, or in the land upon which that unit
521 is situated, or both, with all those leasehold interests to expire naturally at the same time. A

522 condominium project including leased land, or an interest in the land, upon which no units are
523 situated or to be situated is not a leasehold condominium within the meaning of this chapter.

524 (24) "Limited common areas and facilities" means those common areas and facilities
525 designated in the declaration as reserved for use of a certain unit or units to the exclusion of the
526 other units.

527 (25) "Majority" or "majority of the unit owners," unless otherwise provided in the
528 declaration or lawful amendments to the declaration, means the owners of more than 50% in
529 the aggregate in interest of the undivided ownership of the common areas and facilities.

530 (26) "Management committee" means the committee as provided in the declaration
531 charged with and having the responsibility and authority to make and to enforce all of the
532 reasonable rules covering the operation and maintenance of the property.

533 (27) "Management committee meeting" means a gathering of a management
534 committee, whether in person or by means of electronic communication, at which the
535 management committee can take binding action.

536 (28) (a) "Means of electronic communication" means an electronic system that allows
537 individuals to communicate orally in real time.

538 (b) "Means of electronic communication" includes:

- 539 (i) web conferencing;
- 540 (ii) video conferencing; and
- 541 (iii) telephone conferencing.

542 (29) "Mixed-use condominium project" means a condominium project that has both
543 residential and commercial units in the condominium project.

544 (30) "Nonjudicial foreclosure" means the sale of a unit:

- 545 (a) for the nonpayment of an assessment;
- 546 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
547 57-1-34; and
- 548 (c) as provided in this chapter.

549 (31) "Par value" means a number of dollars or points assigned to each unit by the
550 declaration. Substantially identical units shall be assigned the same par value, but units located
551 at substantially different heights above the ground, or having substantially different views, or
552 having substantially different amenities or other characteristics that might result in differences

553 in market value, may be considered substantially identical within the meaning of this
554 subsection. If par value is stated in terms of dollars, that statement may not be considered to
555 reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or
556 fair market transaction at a different figure may affect the par value of any unit, or any
557 undivided interest in the common areas and facilities, voting rights in the unit owners'
558 association, liability for common expenses, or right to common profits, assigned on the basis
559 thereof.

560 (32) "Period of administrative control" means the period of control described in
561 Subsection [57-8-16.5\(1\)](#).

562 (33) "Person" means an individual, corporation, partnership, association, trustee, or
563 other legal entity.

564 (34) "Political sign" means any sign or document that advocates:

565 (a) the election or defeat of a candidate for public office; or

566 (b) the approval or defeat of a ballot proposition.

567 [~~34~~] (35) "Property" means the land, whether leasehold or in fee simple, the building,
568 if any, all improvements and structures thereon, all easements, rights, and appurtenances
569 belonging thereto, and all articles of personal property intended for use in connection
570 therewith.

571 (36) "Protected area" means the same as that term is defined in Section [77-27-21.7](#).

572 [~~35~~] (37) "Record," "recording," "recorded," and "recorder" have the meaning stated
573 in Chapter 3, Recording of Documents.

574 [~~36~~] (38) "Rentals" or "rental unit" means:

575 (a) a unit that:

576 (i) is not owned by an entity or trust; and

577 (ii) is occupied by an individual while the unit owner is not occupying the unit as the
578 unit owner's primary residence; or

579 (b) an occupied unit owned by an entity or trust, regardless of who occupies the unit.

580 [~~37~~] (39) "Size" means the number of cubic feet, or the number of square feet of
581 ground or floor space, within each unit as computed by reference to the record of survey map
582 and rounded off to a whole number. Certain spaces within the units including attic, basement,
583 or garage space may be omitted from the calculation or be partially discounted by the use of a

584 ratio, if the same basis of calculation is employed for all units in the condominium project and
585 if that basis is described in the declaration.

586 [~~38~~] (40) "Time period unit" means an annually recurring part or parts of a year
587 specified in the declaration as a period for which a unit is separately owned and includes a
588 timeshare estate as defined in Section 57-19-2.

589 [~~39~~] (41) "Unconstructed unit" means a unit that:

590 (a) is intended, as depicted in the condominium plat, to be fully or partially contained
591 in a building; and

592 (b) is not constructed.

593 [~~40~~] (42) (a) "Unit" means a separate part of the property intended for any type of
594 independent use, which is created by the recording of a declaration and a condominium plat
595 that describes the unit boundaries.

596 (b) "Unit" includes one or more rooms or spaces located in one or more floors or a
597 portion of a floor in a building.

598 (c) "Unit" includes a convertible space, in accordance with Subsection 57-8-13.4(3).

599 [~~41~~] (43) "Unit number" means the number, letter, or combination of numbers and
600 letters designating the unit in the declaration and in the record of survey map.

601 [~~42~~] (44) "Unit owner" means the person or persons owning a unit in fee simple and
602 an undivided interest in the fee simple estate of the common areas and facilities in the
603 percentage specified and established in the declaration or, in the case of a leasehold
604 condominium project, the person or persons whose leasehold interest or interests in the
605 condominium unit extend for the entire balance of the unexpired term or terms.

606 Section 4. Section 57-8-8.1 is amended to read:

607 **57-8-8.1. Equal treatment by rules required -- Limits on rules.**

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

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

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

613 (ii) differ between residential and nonresidential uses; or

614 (iii) for a unit that a unit owner leases for a term of less than 30 days, impose a

615 reasonable limit on the number of individuals that may use the common areas and facilities as
616 the rental unit tenant's guest or as the unit owner's guest.

617 (2) (a) If a unit owner owns a rental unit and is in compliance with the association of
618 unit owners' governing documents and any rule that the association of unit owners adopts under
619 Subsection (4), a rule may not treat the unit owner differently because the unit owner owns a
620 rental unit.

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

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

624 (ii) if the rental unit owner retains the right to use the association of unit owners'
625 common areas and facilities, even occasionally:

626 (A) charge a rental unit owner a fee to use the common areas and facilities; and

627 (B) for a unit that a unit owner leases for a term of less than 30 days, impose a
628 reasonable limit on the number of individuals that may use the common areas and facilities as
629 the rental unit tenant's guest or as the unit owner's guest; or

630 (iii) include a provision in the association of unit owners' governing documents that:

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

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

635 (3) (a) A rule may not interfere with the freedom of a unit owner to determine the
636 composition of the unit owner's household.

637 (b) Notwithstanding Subsection (3)(a), an association of unit owners may:

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

639 or

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

642 (A) size and facilities; and

643 (B) fair use of the common areas and facilities.

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

645 (5) Unless otherwise provided in the declaration, an association of unit owners may by

646 rule:

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

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

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

652 (ii) a service provided to a unit owner;

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

654 (d) provide for the indemnification of the association of unit owners' officers and
655 management committee consistent with Title 16, Chapter 6a, Utah Revised Nonprofit
656 Corporation Act.

657 (6) (a) Except as provided in Subsection (6)(b), a rule may not prohibit a unit owner
658 from installing a personal security camera immediately adjacent to the entryway, window, or
659 other outside entry point of the owner's condominium unit.

660 (b) A rule may prohibit a unit owner from installing a personal security camera in a
661 common area not physically connected to the owner's unit.

662 (7) (a) A rule may not abridge the right of a unit owner to display a religious or holiday
663 sign, symbol, or decoration inside the owner's condominium unit.

664 (b) An association may adopt a reasonable time, place, and manner restriction with
665 respect to a display that is visible from the exterior of a unit.

666 (8) (a) A rule may not:

667 (i) prohibit a unit owner from displaying in a window of the owner's condominium
668 unit:

669 (A) a for-sale sign; or

670 (B) a political sign;

671 (ii) regulate the content of a political sign; or

672 (iii) establish design criteria for a political sign.

673 (b) Notwithstanding Subsection (8)(a), a rule may reasonably regulate the size and
674 time, place, and manner of posting a for-sale sign or a political sign.

675 (9) An association of unit owners:

676 (a) shall adopt rules supporting water-efficient landscaping, including allowance for

677 low water use on lawns during drought conditions; and

678 (b) may not prohibit or restrict the conversion of a grass park strip to water-efficient
679 landscaping.

680 (10) A rule may restrict a sex offender from accessing a protected area that is
681 maintained, operated, or owned by the association, subject to the exceptions described in
682 Subsection [77-27-21.7\(3\)](#).

683 [~~(10)~~] (11) A rule shall be reasonable.

684 [~~(11)~~] (12) A declaration, or an amendment to a declaration, may vary any of the
685 requirements of Subsections (1) through (5), except Subsection (1)(b)(ii).

686 [~~(12)~~] (13) This section applies to an association of unit owners regardless of when the
687 association of unit owners is created.

688 Section 5. Section **57-8-8.2** is amended to read:

689 **57-8-8.2. Electric vehicle charging systems -- Restrictions -- Responsibilities.**

690 (1) As used in this section:

691 (a) "Charging system" means a device that is:

692 (i) used to provide electricity to an electric or hybrid electric vehicle; and

693 (ii) designed to ensure a safe connection between the electric grid and the vehicle.

694 (b) "General electrical contractor" means the same as that term is defined in Section
695 [58-55-102](#).

696 (c) "Residential electrical contractor" means the same as that term is defined in Section
697 [58-55-102](#).

698 (2) Notwithstanding any provision in an association's governing documents to the
699 contrary, an association may not prohibit a unit owner from installing or using a charging
700 system in:

701 (a) a parking space:

702 (i) assigned to the unit owner's unit; and

703 (ii) used for the parking or storage of a vehicle or equipment; or

704 (b) a limited common area parking space designated for the unit owner's exclusive use.

705 (3) An association may:

706 (a) require a unit owner to submit an application for approval of the installation of a
707 charging system;

- 708 (b) require the unit owner to agree in writing to:
- 709 (i) hire a general electrical contractor or residential electrical contractor to install the
- 710 charging system; or
- 711 (ii) if a charging system is installed in a common area, provide reimbursement to the
- 712 association for the actual cost of the increase in the association's insurance premium
- 713 attributable to the installation or use of the charging system;
- 714 (c) require a charging system to comply with:
- 715 (i) the association's reasonable design criteria governing the dimensions, placement, or
- 716 external appearance of the charging system; or
- 717 (ii) applicable building codes;
- 718 (d) impose a reasonable charge to cover costs associated with the review and
- 719 permitting of a charging [station] system;
- 720 (e) impose a reasonable restriction on the installation and use of a charging [station]
- 721 system that does not significantly:
- 722 (i) increase the cost of the charging [station] system; or
- 723 (ii) decrease the efficiency or performance of the charging [station] system; or
- 724 (f) require a unit owner to pay the costs associated with installation, metering, and use
- 725 of the charging [station] system, including the cost of:
- 726 (i) electricity associated with the charging [station] system; and
- 727 (ii) damage to a general common area, a limited common area, or an area subject to the
- 728 exclusive use of another unit owner that results from the installation, use, maintenance, repair,
- 729 removal, or replacement of the charging [station] system.
- 730 (4) A unit owner who installs a charging system shall disclose to a prospective buyer of
- 731 the unit:
- 732 (a) the existence of the charging [station] system; and
- 733 (b) the unit owner's related responsibilities under this section.
- 734 (5) Unless the unit owner and the association or the declarant otherwise agree:
- 735 (a) a charging [station] system installed under this section is the personal property of
- 736 the unit owner of the unit with which the charging station is associated; and
- 737 (b) a unit owner who installs a charging [station] system shall, before transferring
- 738 ownership of the owner's unit, unless the prospective buyer of the unit accepts ownership and

739 all rights and responsibilities that apply to the charging station under this section:

- 740 (i) remove the charging [~~station~~] system; and
- 741 (ii) restore the premises to the condition before installation of the charging [~~station~~]
- 742 system.

743 Section 6. Section **57-8-10.1** is amended to read:

744 **57-8-10.1. Rental restrictions.**

745 (1) (a) Subject to Subsections (1)(b), (5), and (6), an association of unit owners may:

- 746 (i) create restrictions on the number and term of rentals in a condominium project; or
- 747 (ii) prohibit rentals in the condominium project.

748 (b) An association of unit owners that creates a rental restriction or prohibition in
749 accordance with Subsection (1)(a) shall create the rental restriction or prohibition in a
750 declaration or by amending the declaration.

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

753 (a) a provision that requires a condominium project to exempt from the rental
754 restrictions the following unit owner and the unit owner's unit:

- 755 (i) a unit owner in the military for the period of the unit owner's deployment;
- 756 (ii) a unit occupied by a unit owner's parent, child, or sibling;
- 757 (iii) a unit owner whose employer has relocated the unit owner for two years or less;
- 758 (iv) a unit owned by an entity that is occupied by an individual who:

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

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

762 (v) a unit owned by a trust or other entity created for estate planning purposes if the
763 trust or other estate planning entity was created for the estate of:

764 (A) a current resident of the unit; or

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

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

- 769 (i) the unit owner occupies the unit;

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

773 (iii) the unit is transferred; and

774 (c) a requirement that the association of unit owners create, by rule or resolution,
775 procedures to:

776 (i) determine and track the number of rentals and units in the condominium project
777 subject to the provisions described in Subsections (2)(a) and (b); and

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

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

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

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

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

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

789 (5) A declaration or amendment to a declaration recorded before transfer of the first
790 unit from the initial declarant may prohibit or restrict rentals without providing for the
791 exceptions, provisions, and procedures required under Subsection (2).

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

793 (i) a condominium project that contains a time period unit as defined in Section [57-8-3](#);

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

795 (iii) subject to Subsection (6)(b), a condominium project in which the initial
796 declaration is recorded before May 12, 2009, unless, on or after May 12, 2015, the association
797 of unit owners:

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

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

800 (b) An association that adopts a rental restriction or amends an existing rental

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

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

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

806 (b) when the restriction or prohibition requires an amendment to the association of unit
807 owners' declaration, the association of unit owners fulfills all other requirements for amending
808 the declaration described in the association of unit owners' governing documents.

809 (8) Except as provided in Subsection (9), an association of unit owners may not require
810 a unit owner who owns a rental unit to:

811 (a) obtain the association of unit owners' approval of a prospective renter;

812 (b) give the association of unit owners:

813 (i) a copy of a rental application;

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

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

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

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

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

821 (b) If an association of unit owners' declaration lawfully prohibits or restricts
822 occupancy of the units by a certain class of individuals, the association of unit owners may
823 require a unit owner who owns a rental unit to give the association of unit owners the
824 information described in Subsection (8)(b), if:

825 (i) the information helps the association of unit owners determine whether the renter's
826 occupancy of the unit complies with the association of unit owners' declaration; and

827 (ii) the association of unit owners uses the information to determine whether the
828 renter's occupancy of the unit complies with the association of unit owners' declaration.

829 (c) An association that permits at least 35% of the units in the association to be rental

830 units may charge a unit owner who owns a rental unit an annual fee of up to ~~Ê~~→ [\$250] \$200 ←Ê
830a to defray the

831 association's additional administrative expenses directly related to a unit that is a rental unit Ê→ [Ê],

831a as detailed in an accounting provided to the unit owner. ←Ê

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

834 Section 7. Section **57-8-59** is amended to read:

835 **57-8-59. Management committee.**

836 (1) A member of the management committee shall be:

837 (2) (a) a natural person; and

838 (b) 18 years old or older.

839 (3) An association's bylaws may prescribe other qualifications for members of the
840 management committee in addition to the requirements described in Subsection (1).

841 (4) Without limiting the qualifications an association prescribes under Subsection (2),
842 an association may, through governing documents or the management committee's internal
843 procedures, disqualify an individual from serving as a member of the management committee
844 because the individual:

845 (a) has been convicted of a felony; or

846 (b) is a sex offender.

847 (5) A member of the management committee need not be a resident of this state or a lot
848 owner in the association unless required by the association's bylaws.

849 (6) Except as limited in the declaration, the association of unit owners bylaws or
850 articles of incorporation, or other provisions of this chapter, a management committee acts in
851 all instances on behalf of the association of unit owners.

852 Section 8. Section **57-8a-102** is amended to read:

853 **57-8a-102. Definitions.**

854 As used in this chapter:

855 (1) (a) "Assessment" means a charge imposed or levied:

856 (i) by the association;

857 (ii) on or against a lot or a lot owner; and

858 (iii) pursuant to a governing document recorded with the county recorder.

859 (b) "Assessment" includes:

860 (i) a common expense; and

861 (ii) an amount assessed against a lot owner under Subsection [57-8a-405\(7\)](#).

862 (2) (a) Except as provided in Subsection (2)(b), "association" means a corporation or

863 other legal entity, any member of which:

864 (i) is an owner of a residential lot located within the jurisdiction of the association, as
865 described in the governing documents; and

866 (ii) by virtue of membership or ownership of a residential lot is obligated to pay:

867 (A) real property taxes;

868 (B) insurance premiums;

869 (C) maintenance costs; or

870 (D) for improvement of real property not owned by the member.

871 (b) "Association" or "homeowner association" does not include an association created
872 under [~~Title 57, Chapter 8, Condominium Ownership Act~~] Chapter 8, Condominium
873 Ownership Act.

874 (3) "Board meeting" means a gathering of a board, whether in person or by means of
875 electronic communication, at which the board can take binding action.

876 (4) "Board of directors" or "board" means the entity, regardless of name, with primary
877 authority to manage the affairs of the association.

878 (5) "Common areas" means property that the association:

879 (a) owns;

880 (b) maintains;

881 (c) repairs; or

882 (d) administers.

883 (6) "Common expense" means costs incurred by the association to exercise any of the
884 powers provided for in the association's governing documents.

885 (7) "Declarant":

886 (a) means the person who executes a declaration and submits it for recording in the
887 office of the recorder of the county in which the property described in the declaration is
888 located; and

889 (b) includes the person's successor and assign.

890 (8) "Director" means a member of the board of directors.

891 [~~(8)~~] (9) "Electrical corporation" means the same as that term is defined in Section
892 54-2-1.

893 [~~(9)~~] (10) "Gas corporation" means the same as that term is defined in Section 54-2-1.

894 ~~[(10)]~~ (11) (a) "Governing documents" means a written instrument by which the
895 association may:

- 896 (i) exercise powers; or
897 (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
898 association.

899 (b) "Governing documents" includes:

- 900 (i) articles of incorporation;
901 (ii) bylaws;
902 (iii) a plat;
903 (iv) a declaration of covenants, conditions, and restrictions; and
904 (v) rules of the association.

905 ~~[(11)]~~ (12) "Independent third party" means a person that:

- 906 (a) is not related to the owner of the residential lot;
907 (b) shares no pecuniary interests with the owner of the residential lot; and
908 (c) purchases the residential lot in good faith and without the intent to defraud a current
909 or future lienholder.

910 ~~[(12)]~~ (13) "Judicial foreclosure" means a foreclosure of a lot:

- 911 (a) for the nonpayment of an assessment;
912 (b) in the manner provided by law for the foreclosure of a mortgage on real property;
913 and
914 (c) as provided in Part 3, Collection of Assessments.

915 ~~[(13)]~~ (14) "Lease" or "leasing" means regular, exclusive occupancy of a lot:

- 916 (a) by a person or persons other than the owner; and
917 (b) for which the owner receives a consideration or benefit, including a fee, service,
918 gratuity, or emolument.

919 ~~[(14)]~~ (15) "Limited common areas" means common areas described in the declaration
920 and allocated for the exclusive use of one or more lot owners.

921 ~~[(15)]~~ (16) "Lot" means:

- 922 (a) a lot, parcel, plot, or other division of land:
923 (i) designated for separate ownership or occupancy; and
924 (ii) (A) shown on a recorded subdivision plat; or

- 925 (B) the boundaries of which are described in a recorded governing document; or
- 926 (b) (i) a unit in a condominium association if the condominium association is a part of
- 927 a development; or
- 928 (ii) a unit in a real estate cooperative if the real estate cooperative is part of a
- 929 development.
- 930 ~~[(16)]~~ (17) (a) "Means of electronic communication" means an electronic system that
- 931 allows individuals to communicate orally in real time.
- 932 (b) "Means of electronic communication" includes:
- 933 (i) web conferencing;
- 934 (ii) video conferencing; and
- 935 (iii) telephone conferencing.
- 936 ~~[(17)]~~ (18) "Mixed-use project" means a project under this chapter that has both
- 937 residential and commercial lots in the project.
- 938 ~~[(18)]~~ (19) "Nonjudicial foreclosure" means the sale of a lot:
- 939 (a) for the nonpayment of an assessment;
- 940 (b) in the same manner as the sale of trust property under Sections [57-1-19](#) through
- 941 [57-1-34](#); and
- 942 (c) as provided in Part 3, Collection of Assessments.
- 943 ~~[(19)]~~ (20) "Period of administrative control" means the period during which the
- 944 person who filed the association's governing documents or the person's successor in interest
- 945 retains authority to:
- 946 (a) appoint or remove members of the association's board of directors; or
- 947 (b) exercise power or authority assigned to the association under the association's
- 948 governing documents.
- 949 (21) "Political sign" means any sign or document that advocates:
- 950 (a) the election or defeat of a candidate for public office; or
- 951 (b) the approval or defeat of a ballot proposition.
- 952 (22) "Protected area" means the same as that term is defined in Section [77-27-21.7](#).
- 953 ~~[(20)]~~ (23) "Rentals" or "rental lot" means:
- 954 (a) a lot that:
- 955 (i) is not owned by an entity or trust; and

956 (ii) is occupied by an individual while the lot owner is not occupying the lot as the lot
957 owner's primary residence; or

958 (b) an occupied lot owned by an entity or trust, regardless of who occupies the lot.

959 ~~[(21)]~~ (24) "Residential lot" means a lot, the use of which is limited by law, covenant,
960 or otherwise to primarily residential or recreational purposes.

961 (25) (a) "Rule" means a policy, guideline, restriction, procedure, or regulation of an
962 association that:

963 (i) is not set forth in a contract, easement, article of incorporation, bylaw, or
964 declaration; and

965 (ii) governs:

966 (A) the conduct of persons; or

967 (B) the use, quality, type, design, or appearance of real property or personal property.

968 (b) "Rule" does not include the internal business operating procedures of a board.

969 (26) "Sex offender" means the same as that term is defined in Section 77-27-21.7.

970 ~~[(22)]~~ (27) "Solar energy system" means:

971 (a) a system that is used to produce electric energy from sunlight; and

972 (b) the components of the system described in Subsection ~~[(22)(a)]~~ (27)(a).

973 Section 9. Section 57-8a-105 is amended to read:

974 **57-8a-105. Registration with Department of Commerce -- Department**
975 **publication of educational materials.**

976 (1) As used in this section, "department" means the Department of Commerce created
977 in Section 13-1-2.

978 (2) (a) No later than 90 days after the recording of a declaration of covenants,
979 conditions, and restrictions establishing an association, the association shall register with the
980 department in the manner established by the department.

981 (b) An association existing under a declaration of covenants, conditions, and
982 restrictions recorded before May 10, 2011, shall, no later than July 1, 2011, register with the
983 department in the manner established by the department.

984 (3) The department shall require an association registering as required in this section to
985 provide with each registration:

986 (a) the name and address of the association;

987 (b) the name, address, telephone number, and, if applicable, email address of the chair
988 of the association board;

989 (c) contact information for the manager;

990 (d) the name, address, telephone number, and, if the contact person wishes to use email
991 or facsimile transmission for communicating payoff information, the email address or facsimile
992 number, as applicable, of a primary contact person who has association payoff information that
993 a closing agent needs in connection with the closing of a lot owner's financing, refinancing, or
994 sale of the owner's lot; and

995 (e) a registration fee not to exceed \$37.

996 (4) An association that has registered under Subsection (2) shall submit to the
997 department an updated registration, in the manner established by the department, within 90
998 days after a change in any of the information provided under Subsection (3).

999 (5) (a) During any period of noncompliance with the registration requirement described
1000 in Subsection (2) or the requirement for an updated registration described in Subsection (4):

1001 (i) a lien may not arise under Section 57-8a-301; and

1002 (ii) an association may not enforce an existing lien that arose under Section 57-8a-301.

1003 (b) A period of noncompliance with the registration requirement of Subsection (2) or
1004 with the updated registration requirement of Subsection (4) does not begin until after the
1005 expiration of the 90-day period specified in Subsection (2) or (4), respectively.

1006 (c) An association that is not in compliance with the registration requirement described
1007 in Subsection (2) may end the period of noncompliance by registering with the department in
1008 the manner established by the department under Subsection (2).

1009 (d) An association that is not in compliance with the updated registration requirement
1010 described in Subsection (4) may end the period of noncompliance by submitting to the
1011 department an updated registration in the manner established by the department under
1012 Subsection (4).

1013 (e) Except as described in Subsection (5)(f), beginning on the date an association ends
1014 a period of noncompliance:

1015 (i) a lien may arise under Section 57-8a-301 for any event that:

1016 (A) occurred during the period of noncompliance; and

1017 (B) would have given rise to a lien under Section 57-8a-301 had the association been in

1018 compliance with the registration requirements described in this section; and

1019 (ii) an association may enforce a lien described in this Subsection (5)(e) or a lien that
1020 existed before the period of noncompliance.

1021 (f) If an owner's residential lot is conveyed to an independent third party during a
1022 period of noncompliance described in this Subsection (5):

1023 (i) a lien that arose under Section 57-8a-301 before the conveyance of the residential
1024 lot became final is extinguished when the conveyance of the residential lot becomes final; and

1025 (ii) an event that occurred before the conveyance of the residential lot became final,
1026 and that would have given rise to a lien under Section 57-8a-301 had the association been in
1027 compliance with the registration requirements of this section, may not give rise to a lien under
1028 Section 57-8a-301 if the conveyance of the residential lot becomes final before the association
1029 ends the period of noncompliance.

1030 (6) The department shall publish educational materials on the department's website
1031 providing, in simple and easy to understand language, a brief overview of state law governing
1032 associations, including:

1033 (a) a description of the rights and responsibilities provided in this chapter to any party
1034 under the jurisdiction of an association; and

1035 (b) instructions regarding how an association may be organized and dismantled in
1036 accordance with this chapter.

1037 (7) (a) Unless otherwise expressly exempted, this chapter applies to an association that
1038 registers, or renews or updates the association's registration, with the department under this
1039 section.

1040 (b) This section applies to an association regardless of when the association is created.

1041 Section 10. Section 57-8a-209 is amended to read:

1042 **57-8a-209. Rental restrictions.**

1043 (1) (a) Subject to Subsections (1)(b), (5), (6), and (10), an association may:

1044 (i) create restrictions on the number and term of rentals in an association; or

1045 (ii) prohibit rentals in the association.

1046 (b) An association that creates a rental restriction or prohibition in accordance with
1047 Subsection (1)(a) shall create the rental restriction or prohibition in a recorded declaration of
1048 covenants, conditions, and restrictions, or by amending the recorded declaration of covenants,

1049 conditions, and restrictions.

1050 (2) If an association prohibits or imposes restrictions on the number and term of
1051 rentals, the restrictions shall include:

1052 (a) a provision that requires the association to exempt from the rental restrictions the
1053 following lot owner and the lot owner's lot:

1054 (i) a lot owner in the military for the period of the lot owner's deployment;

1055 (ii) a lot occupied by a lot owner's parent, child, or sibling;

1056 (iii) a lot owner whose employer has relocated the lot owner for two years or less;

1057 (iv) a lot owned by an entity that is occupied by an individual who:

1058 (A) has voting rights under the entity's organizing documents; and

1059 (B) has a 25% or greater share of ownership, control, and right to profits and losses of
1060 the entity; or

1061 (v) a lot owned by a trust or other entity created for estate planning purposes if the trust
1062 or other estate planning entity was created for:

1063 (A) the estate of a current resident of the lot; or

1064 (B) the parent, child, or sibling of the current resident of the lot;

1065 (b) a provision that allows a lot owner who has a rental in the association before the
1066 time the rental restriction described in Subsection (1)(a) is recorded with the county recorder of
1067 the county in which the association is located to continue renting until:

1068 (i) the lot owner occupies the lot;

1069 (ii) an officer, owner, member, trustee, beneficiary, director, or person holding a
1070 similar position of ownership or control of an entity or trust that holds an ownership interest in
1071 the lot, occupies the lot; or

1072 (iii) the lot is transferred; and

1073 (c) a requirement that the association create, by rule or resolution, procedures to:

1074 (i) determine and track the number of rentals and lots in the association subject to the
1075 provisions described in Subsections (2)(a) and (b); and

1076 (ii) ensure consistent administration and enforcement of the rental restrictions.

1077 (3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the
1078 following occur:

1079 (a) the conveyance, sale, or other transfer of a lot by deed;

1080 (b) the granting of a life estate in the lot; or

1081 (c) if the lot is owned by a limited liability company, corporation, partnership, or other
1082 business entity, the sale or transfer of more than 75% of the business entity's share, stock,
1083 membership interests, or partnership interests in a 12-month period.

1084 (4) This section does not limit or affect residency age requirements for an association
1085 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec.
1086 3607.

1087 (5) A declaration of covenants, conditions, and restrictions or amendments to the
1088 declaration of covenants, conditions, and restrictions recorded before the transfer of the first lot
1089 from the initial declarant may prohibit or restrict rentals without providing for the exceptions,
1090 provisions, and procedures required under Subsection (2).

1091 (6) (a) Subsections (1) through (5) do not apply to:

1092 (i) an association that contains a time period unit as defined in Section 57-8-3;

1093 (ii) any other form of timeshare interest as defined in Section 57-19-2; or

1094 (iii) subject to Subsection (6)(b), an association that is formed before May 12, 2009,
1095 unless, on or after May 12, 2015, the association:

1096 (A) adopts a rental restriction or prohibition; or

1097 (B) amends an existing rental restriction or prohibition.

1098 (b) An association that adopts a rental restriction or amends an existing rental
1099 restriction or prohibition before May 9, 2017, is not required to include the exemption
1100 described in Subsection (2)(a)(iv).

1101 (7) Notwithstanding this section, an association may restrict or prohibit rentals without
1102 an exception described in Subsection (2) if:

1103 (a) the restriction or prohibition receives unanimous approval by all lot owners; and

1104 (b) when the restriction or prohibition requires an amendment to the association's
1105 recorded declaration of covenants, conditions, and restrictions, the association fulfills all other
1106 requirements for amending the recorded declaration of covenants, conditions, and restrictions
1107 described in the association's governing documents.

1108 (8) Except as provided in Subsection (9), an association may not require a lot owner
1109 who owns a rental lot to:

1110 (a) obtain the association's approval of a prospective renter;

1111 (b) give the association:

1112 (i) a copy of a rental application;

1113 (ii) a copy of a renter's or prospective renter's credit information or credit report;

1114 (iii) a copy of a renter's or prospective renter's background check; or

1115 (iv) documentation to verify the renter's age; or

1116 (c) pay an additional assessment, fine, or fee because the lot is a rental lot.

1117 (9) (a) A lot owner who owns a rental lot shall give an association the documents
1118 described in Subsection (8)(b) if the lot owner is required to provide the documents by court
1119 order or as part of discovery under the Utah Rules of Civil Procedure.

1120 (b) If an association's declaration of covenants, conditions, and restrictions lawfully
1121 prohibits or restricts occupancy of the lots by a certain class of individuals, the association may
1122 require a lot owner who owns a rental lot to give the association the information described in
1123 Subsection (8)(b), if:

1124 (i) the information helps the association determine whether the renter's occupancy of
1125 the lot complies with the association's declaration of covenants, conditions, and restrictions;
1126 and

1127 (ii) the association uses the information to determine whether the renter's occupancy of
1128 the lot complies with the association's declaration of covenants, conditions, and restrictions.

1129 (c) An association that permits at least 35% of the lots in the association to be rental
1130 lots may charge a lot owner who owns a rental lot an annual fee of up to ~~Ĥ~~→ ~~[\$250]~~ \$200 ←Ĥ to
1130a defray the
1131 association's additional administrative expenses directly related to a lot that is a rental lot ~~Ĥ~~→ [ē] ,
1131a as detailed in an accounting provided to the unit owner. ←Ĥ

1132 (10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the
1133 rental of an internal accessory dwelling unit, as defined in Section 10-9a-530, constructed
1134 within a lot owner's residential lot, if the internal accessory dwelling unit complies with all
1135 applicable:

1136 (a) land use ordinances;

1137 (b) building codes;

1138 (c) health codes; and

1139 (d) fire codes.

1140 (11) The provisions of Subsections (8) through (10) apply to an association regardless
1141 of when the association is created.

1142 Section 11. Section ~~57-8a-217~~ is amended to read:

1143 **57-8a-217. Association rules, including design criteria -- Requirements and**
1144 **limitations relating to board's action on rules and design criteria -- Vote of disapproval.**

1145 (1) (a) Subject to Subsection (1)(b), a board may adopt, amend, modify, cancel, limit,
1146 create exceptions to, or expand~~[-or enforce]~~ the rules ~~[and design criteria]~~ of the association.

1147 (b) A board's action under Subsection (1)(a) is subject to:

1148 (i) this section;

1149 (ii) any limitation that the declaration imposes on the authority stated in Subsection

1150 (1)(a);

1151 (iii) the limitation on rules in Sections ~~57-8a-218~~ and ~~57-8a-219~~;

1152 (iv) the board's duty to exercise business judgment on behalf of:

1153 (A) the association; and

1154 (B) the lot owners in the association; ~~[and]~~

1155 (v) the right of the lot owners or declarant to disapprove the action under Subsection

1156 (4)~~[-]~~; and

1157 (vi) Subsection (7).

1158 (2) Except as provided in Subsection (3), before adopting, amending, modifying,
1159 canceling, limiting, creating exceptions to, or expanding the rules ~~[and design criteria]~~ of the
1160 association, the board shall:

1161 (a) at least 15 days before the board will meet to consider a change to a rule or design
1162 criterion, deliver notice to lot owners, as provided in Section ~~57-8a-214~~, that the board is
1163 considering a change to a rule or design criterion;

1164 (b) provide an open forum at the board meeting giving lot owners an opportunity to be
1165 heard at the board meeting before the board takes action under Subsection (1)(a); and

1166 (c) deliver a copy of the change in the rules or design criteria approved by the board to
1167 the lot owners as provided in Section ~~57-8a-214~~ within 15 days after the date of the board
1168 meeting.

1169 (3) (a) Subject to Subsection (3)(b), a board may adopt a rule without first giving
1170 notice to the lot owners under Subsection (2) if there is an imminent risk of harm to a common
1171 area, a limited common area, a lot owner, an occupant of a lot, a lot, or a dwelling.

1172 (b) The board shall provide notice under Subsection (2) to the lot owners of a rule

1173 adopted under Subsection (3)(a).

1174 (4) A board action in accordance with Subsections (1), (2), and (3) is disapproved if
1175 within 60 days after the date of the board meeting where the action was taken:

1176 (a) (i) there is a vote of disapproval by at least 51% of all the allocated voting interests
1177 of the lot owners in the association; and

1178 (ii) the vote is taken at a special meeting called for that purpose by the lot owners
1179 under the declaration, articles, or bylaws; or

1180 (b) (i) the declarant delivers to the board a writing of disapproval; and

1181 (ii) (A) the declarant is within the period of administrative control; or

1182 (B) for an expandable project, the declarant has the right to add real estate to the
1183 project.

1184 (5) (a) The board has no obligation to call a meeting of the lot owners to consider
1185 disapproval, unless lot owners submit a petition, in the same manner as the declaration,
1186 articles, or bylaws provide for a special meeting, for the meeting to be held.

1187 (b) Upon the board receiving a petition under Subsection (5)(a), the effect of the
1188 board's action is:

1189 (i) stayed until after the meeting is held; and

1190 (ii) subject to the outcome of the meeting.

1191 (6) During the period of administrative control, a declarant may exempt the declarant
1192 from association rules and the rulemaking procedure under this section if the declaration
1193 reserves to the declarant the right to exempt the declarant.

1194 (7) An action against an association or member of the association's board based upon
1195 failure to comply with the requirements of Subsection (2) shall be commenced no later than 18
1196 months after the day on which the board took the challenged action under Subsection (2).

1197 Section 12. Section **57-8a-218** is amended to read:

1198 **57-8a-218. Equal treatment by rules required -- Limits on association rules and**
1199 **design criteria.**

1200 (1) (a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated lot
1201 owners similarly.

1202 (b) Notwithstanding Subsection (1)(a), a rule may:

1203 (i) vary according to the level and type of service that the association provides to lot

1204 owners;

1205 (ii) differ between residential and nonresidential uses; and

1206 (iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
1207 limit on the number of individuals who may use the common areas and facilities as guests of
1208 the lot tenant or lot owner.

1209 (2) (a) If a lot owner owns a rental lot and is in compliance with the association's
1210 governing documents and any rule that the association adopts under Subsection (4), a rule may
1211 not treat the lot owner differently because the lot owner owns a rental lot.

1212 (b) Notwithstanding Subsection (2)(a), a rule may:

1213 (i) limit or prohibit a rental lot owner from using the common areas for purposes other
1214 than attending an association meeting or managing the rental lot;

1215 (ii) if the rental lot owner retains the right to use the association's common areas, even
1216 occasionally:

1217 (A) charge a rental lot owner a fee to use the common areas; or

1218 (B) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
1219 limit on the number of individuals who may use the common areas and facilities as guests of
1220 the lot tenant or lot owner; or

1221 (iii) include a provision in the association's governing documents that:

1222 (A) requires each tenant of a rental lot to abide by the terms of the governing
1223 documents; and

1224 (B) holds the tenant and the rental lot owner jointly and severally liable for a violation
1225 of a provision of the governing documents.

1226 (3) (a) A rule criterion may not abridge the rights of a lot owner to display a religious
1227 or holiday sign, symbol, or decoration:

1228 (i) inside a dwelling on a lot; or

1229 (ii) outside a dwelling on:

1230 (A) a lot;

1231 (B) the exterior of the dwelling, unless the association has an ownership interest in, or
1232 a maintenance, repair, or replacement obligation for, the exterior; or

1233 (C) the front yard of the dwelling, unless the association has an ownership interest in,
1234 or a maintenance, repair, or replacement obligation for, the yard.

- 1235 (b) Notwithstanding Subsection (3)(a), the association may adopt a reasonable time,
1236 place, and manner restriction with respect to a display that is:
- 1237 (i) outside a dwelling on:
- 1238 (A) a lot;
- 1239 (B) the exterior of the dwelling; or
- 1240 (C) the front yard of the dwelling; and
- 1241 (ii) visible from outside the lot.
- 1242 (4) (a) A rule may not prohibit a lot owner from displaying a political sign:
- 1243 (i) inside a dwelling on a lot; or
- 1244 (ii) outside a dwelling on:
- 1245 (A) a lot;
- 1246 (B) the exterior of the dwelling, regardless of whether the association has an ownership
1247 interest in the exterior; or
- 1248 (C) the front yard of the dwelling, regardless of whether the association has an
1249 ownership interest in the yard.
- 1250 (b) A rule may not regulate the content of a political sign.
- 1251 (c) Notwithstanding Subsection (4)(a), a rule may reasonably regulate the time, place,
1252 and manner of posting a political sign.
- 1253 (d) An association design provision may not establish design criteria for a political
1254 sign.
- 1255 (5) (a) A rule may not prohibit a lot owner from displaying a for-sale sign:
- 1256 (i) inside a dwelling on a lot; or
- 1257 (ii) outside a dwelling on:
- 1258 (A) a lot;
- 1259 (B) the exterior of the dwelling, regardless of whether the association has an ownership
1260 interest in the exterior; or
- 1261 (C) the front yard of the dwelling, regardless of whether the association has an
1262 ownership interest in the yard.
- 1263 (b) Notwithstanding Subsection (5)(a), a rule may reasonably regulate the time, place,
1264 and manner of posting a for-sale sign.
- 1265 (6) (a) A rule may not interfere with the freedom of a lot owner to determine the

1266 composition of the lot owner's household.

1267 (b) Notwithstanding Subsection (6)(a), an association may:

1268 (i) require that all occupants of a dwelling be members of a single housekeeping unit;

1269 or

1270 (ii) limit the total number of occupants permitted in each residential dwelling on the
1271 basis of the residential dwelling's:

1272 (A) size and facilities; and

1273 (B) fair use of the common areas.

1274 (7) (a) A rule may not interfere with a reasonable activity of a lot owner within the
1275 confines of a dwelling or lot, including backyard landscaping or amenities, to the extent that
1276 the activity is in compliance with local laws and ordinances, including nuisance laws and
1277 ordinances.

1278 (b) Notwithstanding Subsection (7)(a), a rule may prohibit an activity within the
1279 confines of a dwelling or lot, including backyard landscaping or amenities, if the activity:

1280 (i) is not normally associated with a project restricted to residential use; or

1281 (ii) (A) creates monetary costs for the association or other lot owners;

1282 (B) creates a danger to the health or safety of occupants of other lots;

1283 (C) generates excessive noise or traffic;

1284 (D) creates unsightly conditions visible from outside the dwelling;

1285 (E) creates an unreasonable source of annoyance to persons outside the lot; or

1286 (F) if there are attached dwellings, creates the potential for smoke to enter another lot
1287 owner's dwelling, the common areas, or limited common areas.

1288 (c) If permitted by law, an association may adopt rules described in Subsection (7)(b)
1289 that affect the use of or behavior inside the dwelling.

1290 (8) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written
1291 objection to the board, alter the allocation of financial burdens among the various lots.

1292 (b) Notwithstanding Subsection (8)(a), an association may:

1293 (i) change the common areas available to a lot owner;

1294 (ii) adopt generally applicable rules for the use of common areas; or

1295 (iii) deny use privileges to a lot owner who:

1296 (A) is delinquent in paying assessments;

- 1297 (B) abuses the common areas; or
- 1298 (C) violates the governing documents.
- 1299 (c) This Subsection (8) does not permit a rule that:
- 1300 (i) alters the method of levying assessments; or
- 1301 (ii) increases the amount of assessments as provided in the declaration.
- 1302 (9) (a) Subject to Subsection (9)(b), a rule may not:
- 1303 (i) prohibit the transfer of a lot; or
- 1304 (ii) require the consent of the association or board to transfer a lot.
- 1305 (b) Unless contrary to a declaration, a rule may require a minimum lease term.
- 1306 (10) (a) A rule may not require a lot owner to dispose of personal property that was in
- 1307 or on a lot before the adoption of the rule or design criteria if the personal property was in
- 1308 compliance with all rules and other governing documents previously in force.
- 1309 (b) The exemption in Subsection (10)(a):
- 1310 (i) applies during the period of the lot owner's ownership of the lot; and
- 1311 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
- 1312 the rule described in Subsection (10)(a).
- 1313 (11) A rule or action by the association or action by the board may not unreasonably
- 1314 impede a declarant's ability to satisfy existing development financing for community
- 1315 improvements and right to develop:
- 1316 (a) the project; or
- 1317 (b) other properties in the vicinity of the project.
- 1318 (12) A rule or association or board action may not interfere with:
- 1319 (a) the use or operation of an amenity that the association does not own or control; or
- 1320 (b) the exercise of a right associated with an easement.
- 1321 (13) A rule may not divest a lot owner of the right to proceed in accordance with a
- 1322 completed application for design review, or to proceed in accordance with another approval
- 1323 process, under the terms of the governing documents in existence at the time the completed
- 1324 application was submitted by the owner for review.
- 1325 (14) Unless otherwise provided in the declaration, an association may by rule:
- 1326 (a) regulate the use, maintenance, repair, replacement, and modification of common
- 1327 areas;

- 1328 (b) impose and receive any payment, fee, or charge for:
- 1329 (i) the use, rental, or operation of the common areas, except limited common areas; and
- 1330 (ii) a service provided to a lot owner;
- 1331 (c) impose a charge for a late payment of an assessment; or
- 1332 (d) provide for the indemnification of the association's officers and board consistent
- 1333 with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

1334 (15) A rule may not prohibit a lot owner from installing a personal security camera

1335 immediately adjacent to the entryway, window, or other outside entry point of the owner's

1336 dwelling unit.

1337 (16) (a) An association[~~;~~]

1338 [~~(a)~~] shall adopt rules supporting water-efficient landscaping, including allowance for

1339 low water use on lawns during drought conditions[~~;~~and].

1340 (b) A rule may not:

1341 (i) prohibit or restrict the conversion of a grass park strip to water-efficient

1342 landscaping[~~;~~]; or

1343 (ii) prohibit low water use on lawns during drought conditions.

1344 (c) An association subject to this chapter and formed before March 5, 2023, shall adopt

1345 rules required under Subsection (16)(a) before June 30, 2023.

1346 (17) (a) Except as provided in Subsection (17)(b), a rule may not prohibit the owner of

1347 a residential lot from constructing an internal accessory dwelling unit, as defined in Section

1348 [10-9a-530](#), within the owner's residential lot.

1349 (b) Subsection (17)(a) does not apply if the construction would violate:

1350 (i) a local land use ordinance;

1351 (ii) a building code;

1352 (iii) a health code; or

1353 (iv) a fire code.

1354 (18) A rule may restrict a sex offender from accessing a protected area that is

1355 maintained, operated, or owned by the association, subject to the exceptions described in

1356 Subsection [77-27-21.7\(3\)](#).

1357 [~~(18)~~] (19) A rule shall be reasonable.

1358 [~~(19)~~] (20) A declaration, or an amendment to a declaration, may vary any of the

1359 requirements of Subsections (1), (2), (6), and (8) through (14), except Subsection (1)(b)(ii).

1360 ~~[(20)]~~ (21) A rule may not be inconsistent with a provision of the association's

1361 declaration, bylaws, or articles of incorporation.

1362 ~~[(21)]~~ (22) This section applies to an association regardless of when the association is

1363 created.

1364 Section 13. Section **57-8a-501** is amended to read:

1365 **57-8a-501. Board .**

1366 (1) A director shall be:

1367 (a) a natural person; and

1368 (b) 18 years old or older.

1369 (2) An association's bylaws may prescribe other qualifications for directors in addition

1370 to the requirements described in Subsection (1).

1371 (3) Without limiting the qualifications an association prescribes under Subsection (2),

1372 an association may, through governing documents or the board's internal procedures, disqualify

1373 an individual from serving as a director because the individual:

1374 (a) has been convicted of a felony; or

1375 (b) is a sex offender.

1376 (4) A director need not be a resident of this state or a unit owner in the association

1377 unless required by the association's bylaws.

1378 (5) Except as limited in a declaration, the association bylaws, or other provisions of

1379 this chapter, a board acts in all instances on behalf of the association.

1380 Section 14. Section **57-8a-701** is amended to read:

1381 **57-8a-701. Solar energy system -- Prohibition or restriction in declaration or**

1382 **association rule.**

1383 (1) As used in this section, "detached dwelling" means a detached dwelling for which

1384 the association does not have an ownership interest in the detached dwelling's roof.

1385 (2) (a) A governing document other than a declaration may not prohibit an owner of a

1386 lot with:

1387 (i) a detached dwelling from installing a solar energy system; or

1388 (ii) a dwelling attached to other dwellings from installing a solar energy system, if:

1389 (A) the association does not have an ownership interest in the dwelling's roof or

1390 building exterior;

1391 (B) the association does not have a maintenance, repair, or replacement obligation in
1392 the dwelling's roof or building exterior; and

1393 (C) all lot owners with attached dwellings in the building agree to the installation of the
1394 solar energy system.

1395 (b) A governing document other than a declaration or an association rule may not
1396 restrict an owner of a lot with:

1397 (i) a detached dwelling from installing a solar energy system on the owner's lot; or

1398 (ii) a dwelling attached to other dwellings from installing a solar energy system on the
1399 roof of the dwelling's building, if:

1400 (A) the association does not have an ownership interest in the dwelling's roof or
1401 building exterior;

1402 (B) the association does not have a maintenance, repair, or replacement obligation in
1403 the dwelling's roof or building exterior; and

1404 (C) all lot owners with attached dwellings in the building agree to the installation of the
1405 solar energy system.

1406 (3) A declaration may, for a lot with a detached dwelling:

1407 (a) prohibit a lot owner from installing a solar energy system; or

1408 (b) impose a restriction other than a prohibition on a solar energy system's size,
1409 location, or manner of placement if the restriction:

1410 (i) decreases the solar energy system's production by 5% or less;

1411 (ii) increases the solar energy system's cost of installation by 5% or less; and

1412 (iii) complies with Subsection (6).

1413 (4) (a) If a declaration does not expressly prohibit the installation of a solar energy
1414 system on a lot with a detached dwelling, an association may not amend the declaration to
1415 impose a prohibition on the installation of a solar energy system unless the association
1416 approves the prohibition by a vote of greater than 67% of the allocated voting interests of the
1417 lot owners in the association.

1418 (b) An association may amend an existing provision in a declaration that prohibits the
1419 installation of a solar energy system on a lot with a detached dwelling if the association
1420 approves the amendment by a vote of greater than 67% of the allocated voting interests of the

1421 lot owners in the association.

1422 (5) An association may, by association rule, for a lot with a detached dwelling, impose
1423 a restriction other than a prohibition on a lot owner's installation of a solar energy system if the
1424 restriction:

1425 (a) complies with Subsection (6);

1426 (b) decreases the solar energy system's production by 5% or less; and

1427 (c) increases the solar energy system's cost of installation by 5% or less.

1428 (6) A declaration or an association rule may require an owner of a [~~detached~~] dwelling
1429 that installs a solar energy system on the owner's lot:

1430 (a) to install a solar energy system that, or install the solar energy system in a manner
1431 that:

1432 (i) complies with applicable health, safety, and building requirements established by
1433 the state or a political subdivision of the state;

1434 (ii) if the solar energy system is used to heat water, is certified by:

1435 (A) the Solar Rating and Certification Corporation; or

1436 (B) a nationally recognized solar certification entity;

1437 (iii) if the solar energy system is used to produce electricity, complies with applicable
1438 safety and performance standards established by:

1439 (A) the National Electric Code;

1440 (B) the Institute of Electrical and Electronics Engineers;

1441 (C) Underwriters Laboratories;

1442 (D) an accredited electrical testing laboratory; or

1443 (E) the state or a political subdivision of the state;

1444 (iv) if the solar energy system is mounted on a roof:

1445 (A) does not extend above the roof line; or

1446 (B) has panel frame, support bracket, or visible piping or wiring that has a color or
1447 texture that is similar to the roof material; or

1448 (v) if the solar energy system is mounted on the ground, is not visible from the street
1449 that a lot fronts;

1450 (b) to pay any reasonable cost or expense incurred by the association to review an
1451 application to install a solar energy system;

1452 (c) be responsible, jointly and severally with any subsequent owner of the lot while the
1453 violation of the rule or requirement occurs, for any cost or expense incurred by the association
1454 to enforce a declaration requirement or association rule; or

1455 (d) as a condition of installing a solar energy system, to record a deed restriction
1456 against the owner's lot that runs with the land that requires the current owner of the lot to
1457 indemnify or reimburse the association or a member of the association for any loss or damage
1458 caused by the installation, maintenance, or use of the solar energy system, including costs and
1459 reasonable attorney fees incurred by the association or a member of the association.

1460 Section 15. Section **57-8a-802** is amended to read:

1461 **57-8a-802. Electric vehicle charging systems -- Restrictions -- Responsibilities.**

1462 (1) Notwithstanding any provision in an association's governing documents to the
1463 contrary, an association may not prohibit a lot owner from installing or using a charging system
1464 in:

1465 (a) a parking space:

1466 (i) on the lot owner's lot; and

1467 (ii) used for the parking or storage of a vehicle or equipment; or

1468 (b) a limited common area parking space designated for the lot owner's exclusive use.

1469 (2) An association may:

1470 (a) require a lot owner to submit an application for approval of the installation of a
1471 charging system;

1472 (b) require the lot owner to agree in writing to:

1473 (i) hire a general electrical contractor or residential electrical contractor to install the
1474 charging system; or

1475 (ii) if a charging system is installed in a common area, provide reimbursement to the
1476 association for the actual cost of the increase in the association's insurance premium
1477 attributable to the installation or use of the charging system;

1478 (c) require a charging system to comply with:

1479 (i) the association's reasonable design criteria governing the dimensions, placement, or
1480 external appearance of the charging system; or

1481 (ii) applicable building codes;

1482 (d) impose a reasonable charge to cover costs associated with the review and

1483 permitting of a charging [station] system;

1484 (e) impose a reasonable restriction on the installation and use of a charging [station]
1485 system that does not significantly:

1486 (i) increase the cost of the charging [station] system; or

1487 (ii) decrease the efficiency or performance of the charging [station] system; or

1488 (f) require a lot owner to pay the costs associated with installation, metering, and use of
1489 the charging [station] system, including the cost of:

1490 (i) electricity associated with the charging [station] system; and

1491 (ii) damage to a general common area, a limited common area, or an area subject to the
1492 exclusive use of another lot owner that results from the installation, use, maintenance, repair,
1493 removal, or replacement of the charging [station] system.

1494 (3) A lot owner who installs a charging system shall disclose to a prospective buyer of
1495 the lot:

1496 (a) the existence of the charging [station] system; and

1497 (b) the lot owner's related responsibilities under this section.

1498 (4) Unless the lot owner and the association or the declarant otherwise agree:

1499 (a) a charging [station] system installed under this section is the personal property of
1500 the lot owner of the lot with which the charging [station] system is associated; and

1501 (b) a lot owner who installs a charging [station] system shall, before transferring
1502 ownership of the owner's lot, unless the prospective buyer of the lot accepts ownership and all
1503 rights and responsibilities that apply to the charging [station] system under this section:

1504 (i) remove the charging [station] system; and

1505 (ii) restore the premises to the condition before installation of the charging [station]
1506 system.