

Senator Wayne A. Harper proposes the following substitute bill:

1 CONDOMINIUM AND COMMUNITY ASSOCIATION AMENDMENTS

2 2024 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 House Sponsor: Carol S. Moss

6

7 LONG TITLE

8 **General Description:**

9 This bill amends provisions relating to homeowners' associations.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ modifies the rights of a board member of a nonprofit corporation to inspect and
- 13 copy records;
- 14 ▶ adds an internal accessory dwelling unit to the definition of a rental;
- 15 ▶ restricts a homeowners' association from regulating lease agreements in certain
- 16 circumstances;
- 17 ▶ permits the board of a homeowners' association to presume the vote or approval of
- 18 an association member to amend the governing documents under certain conditions;
- 19 ▶ requires that a homeowners' association adopt water wise landscaping rules;
- 20 ▶ provides a remedy for an owner if the association does not implement water wise
- 21 landscaping rules;
- 22 ▶ clarifies the process by which a county assessor may assess a common area for
- 23 property tax purposes;
- 24 ▶ provides a process by which a homeowners' association may sell the common areas
- 25 located within the homeowners' association;



- 26 ▶ defines terms; and
- 27 ▶ makes technical and conforming changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

- 34 **16-6a-1602**, as last amended by Laws of Utah 2023, Chapter 503
- 35 **57-8-3**, as last amended by Laws of Utah 2023, Chapter 503
- 36 **57-8-7.2**, as enacted by Laws of Utah 2004, Chapter 290
- 37 **57-8-8.1**, as last amended by Laws of Utah 2023, Chapter 503
- 38 **57-8-10.1**, as last amended by Laws of Utah 2023, Chapter 503
- 39 **57-8-32**, as last amended by Laws of Utah 2017, Chapter 405
- 40 **57-8-39**, as last amended by Laws of Utah 2017, Chapter 324
- 41 **57-8a-102**, as last amended by Laws of Utah 2023, Chapter 503
- 42 **57-8a-104**, as last amended by Laws of Utah 2015, Chapters 34, 325 and 387
- 43 **57-8a-209**, as last amended by Laws of Utah 2023, Chapter 503
- 44 **57-8a-218**, as last amended by Laws of Utah 2023, Chapter 503
- 45 **57-8a-231**, as last amended by Laws of Utah 2023, Chapters 139, 199
- 46 **59-2-301.1**, as last amended by Laws of Utah 2017, Chapter 49

47 ENACTS:

48 **57-8a-232**, Utah Code Annotated 1953



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

51 Section 1. Section **16-6a-1602** is amended to read:

52 **16-6a-1602. Inspection of records by directors and members.**

53 (1) A director or member is entitled to inspect and copy any of the records of the
54 nonprofit corporation described in Subsection **16-6a-1601(5)**:

- 55 (a) during regular business hours;
- 56 (b) at the nonprofit corporation's principal office; and

57 (c) if the director or member gives the nonprofit corporation written demand, at least
58 five business days before the date on which the member wishes to inspect and copy the records.

59 (2) In addition to the rights set forth in Subsection (1), a director or member is entitled
60 to inspect and copy any of the other records of the nonprofit corporation described in
61 [~~Subsections 16-6a-1601(2) through (5)~~] Subsections 16-6a-1601(1) through (3):

62 (a) during regular business hours;

63 (b) at a reasonable location specified by the nonprofit corporation; and

64 (c) at least five business days before the date on which the member wishes to inspect
65 and copy the records, if the director or member:

66 (i) meets the requirements of Subsection (3); and

67 (ii) gives the nonprofit corporation written demand.

68 (3) A director or member may inspect and copy the records described in [~~Subsection~~
69 ~~(2)~~] Subsections (1) and (2) only if:

70 (a) the demand is made:

71 (i) in good faith; and

72 (ii) for a proper purpose;

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

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

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

77 (a) "member" includes:

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

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

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

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

85 (6) This section does not affect:

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

87 (b) the right of a member to inspect records to the same extent as any other litigant if

88 the member is in litigation with the nonprofit corporation; or

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

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

94 Section 2. Section 57-8-3 is amended to read:

95 **57-8-3. Definitions.**

96 As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

125 (6) "Common expenses" means:

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

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

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

130 (d) expenses declared common expenses by this chapter, or by the declaration or the
131 bylaws.

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

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

138 (9) "Condominium plat" means a plat or plats of survey of land and units prepared in
139 accordance with Section [57-8-13](#).

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

145 (11) "Condominium unit" means a unit together with the undivided interest in the
146 common areas and facilities appertaining to that unit. Any reference in this chapter to a
147 condominium unit includes both a physical unit together with its appurtenant undivided interest
148 in the common areas and facilities and a time period unit together with its appurtenant
149 undivided interest, unless the reference is specifically limited to a time period unit.

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

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

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

161 (15) "Declarant" means all persons who execute the declaration or on whose behalf the
162 declaration is executed. From the time of the recordation of any amendment to the declaration
163 expanding an expandable condominium, all persons who execute that amendment or on whose
164 behalf that amendment is executed shall also come within this definition. Any successors of
165 the persons referred to in this subsection who come to stand in the same relation to the
166 condominium project as their predecessors also come within this definition.

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

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

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

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

173 (20) "Governing documents":

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

175 (i) exercise powers; or

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

178 (b) includes:

179 (i) articles of incorporation;

180 (ii) bylaws;

- 181 (iii) a plat;
- 182 (iv) a declaration of covenants, conditions, and restrictions; and
- 183 (v) rules of the association of unit owners.
- 184 (21) "Independent third party" means a person that:
- 185 (a) is not related to the unit owner;
- 186 (b) shares no pecuniary interests with the unit owner; and
- 187 (c) purchases the unit in good faith and without the intent to defraud a current or future
- 188 lienholder.
- 189 (22) "Judicial foreclosure" means a foreclosure of a unit:
- 190 (a) for the nonpayment of an assessment;
- 191 (b) in the manner provided by law for the foreclosure of a mortgage on real property;
- 192 and
- 193 (c) as provided in this chapter.
- 194 (23) "Leasehold condominium" means a condominium project in all or any portion of
- 195 which each unit owner owns an estate for years in his unit, or in the land upon which that unit
- 196 is situated, or both, with all those leasehold interests to expire naturally at the same time. A
- 197 condominium project including leased land, or an interest in the land, upon which no units are
- 198 situated or to be situated is not a leasehold condominium within the meaning of this chapter.
- 199 (24) "Limited common areas and facilities" means those common areas and facilities
- 200 designated in the declaration as reserved for use of a certain unit or units to the exclusion of the
- 201 other units.
- 202 (25) "Majority" or "majority of the unit owners," unless otherwise provided in the
- 203 declaration or lawful amendments to the declaration, means the owners of more than 50% in
- 204 the aggregate in interest of the undivided ownership of the common areas and facilities.
- 205 (26) "Management committee" means the committee as provided in the declaration
- 206 charged with and having the responsibility and authority to make and to enforce all of the
- 207 reasonable rules covering the operation and maintenance of the property.
- 208 (27) "Management committee meeting" means a gathering of a management
- 209 committee, whether in person or by means of electronic communication, at which the
- 210 management committee can take binding action.
- 211 (28) (a) "Means of electronic communication" means an electronic system that allows

212 individuals to communicate orally in real time.

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

214 (i) web conferencing;

215 (ii) video conferencing; and

216 (iii) telephone conferencing.

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

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

220 (a) for the nonpayment of an assessment;

221 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
222 57-1-34; and

223 (c) as provided in this chapter.

224 (31) "Par value" means a number of dollars or points assigned to each unit by the
225 declaration. Substantially identical units shall be assigned the same par value, but units located
226 at substantially different heights above the ground, or having substantially different views, or
227 having substantially different amenities or other characteristics that might result in differences
228 in market value, may be considered substantially identical within the meaning of this
229 subsection. If par value is stated in terms of dollars, that statement may not be considered to
230 reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or
231 fair market transaction at a different figure may affect the par value of any unit, or any
232 undivided interest in the common areas and facilities, voting rights in the unit owners'
233 association, liability for common expenses, or right to common profits, assigned on the basis
234 thereof.

235 (32) "Period of administrative control" means the period of control described in
236 Subsection 57-8-16.5(1).

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

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

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

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

242 (35) "Property" means the land, whether leasehold or in fee simple, the building, if any,

243 all improvements and structures thereon, all easements, rights, and appurtenances belonging
244 thereto, and all articles of personal property intended for use in connection therewith.

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

246 (37) "Record," "recording," "recorded," and "recorder" have the meaning stated in
247 Chapter 3, Recording of Documents.

248 (38) "Rentals" or "rental unit" means:

249 (a) a unit that:

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

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

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

254 (39) "Size" means the number of cubic feet, or the number of square feet of ground or
255 floor space, within each unit as computed by reference to the record of survey map and rounded
256 off to a whole number. Certain spaces within the units including attic, basement, or garage
257 space may be omitted from the calculation or be partially discounted by the use of a ratio, if the
258 same basis of calculation is employed for all units in the condominium project and if that basis
259 is described in the declaration.

260 (40) "Time period unit" means an annually recurring part or parts of a year specified in
261 the declaration as a period for which a unit is separately owned and includes a timeshare estate
262 as defined in Section 57-19-2.

263 (41) "Unconstructed unit" means a unit that:

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

266 (b) is not constructed.

267 (42) (a) "Unit" means a separate part of the property intended for any type of
268 independent use, which is created by the recording of a declaration and a condominium plat
269 that describes the unit boundaries.

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

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

273 (43) "Unit number" means the number, letter, or combination of numbers and letters

274 designating the unit in the declaration and in the record of survey map.

275 (44) "Unit owner" means the person or persons owning a unit in fee simple and an
276 undivided interest in the fee simple estate of the common areas and facilities in the percentage
277 specified and established in the declaration or, in the case of a leasehold condominium project,
278 the person or persons whose leasehold interest or interests in the condominium unit extend for
279 the entire balance of the unexpired term or terms.

280 (45) "Water wise landscaping" means:

281 (a) installation of plant materials, suited to the microclimate and soil conditions, that
282 can:

283 (i) remain healthy with minimal irrigation once established; or

284 (ii) be maintained without the use of overhead spray irrigation;

285 (b) use of water for outdoor irrigation through proper and efficient irrigation design and
286 water application; or

287 (c) use of other landscape design features that:

288 (i) minimize the landscape's need for supplemental water from irrigation;

289 (ii) reduce the landscape area dedicated to lawn or turf; or

290 (iii) encourage vegetative coverage.

291 (46) "Water wise plant material" means a plant material suited to water wise
292 landscaping.

293 Section 3. Section **57-8-7.2** is amended to read:

294 **57-8-7.2. Scope -- Designation of certain areas.**

295 (1) Unless otherwise provided in the declaration, this section applies to a unit if the
296 declaration designates a wall, floor, or ceiling as a boundary of the unit.

297 (2) (a) The following are part of a unit:

298 (i) lath;

299 (ii) furring;

300 (iii) wallboard;

301 (iv) plasterboard;

302 (v) plaster;

303 (vi) paneling;

304 (vii) tiles;

- 305 (viii) wallpaper;
- 306 (ix) paint;
- 307 (x) finished flooring; and
- 308 (xi) any other material constituting part of the finished surface of a wall, floor, or
- 309 ceiling.
- 310 (b) Any portion of a wall, floor, or ceiling not listed in Subsection (2)(a) is part of the
- 311 common areas and facilities.
- 312 (3) If a chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or any other
- 313 fixture lies partially within and partially outside the designated boundaries of a unit:
- 314 (a) any portion of an item described in this Subsection (3) serving only that unit is part
- 315 of the limited common areas and facilities; and
- 316 (b) any portion of an item described in this Subsection (3) is part of the common areas
- 317 and facilities if the item serves:
- 318 (i) more than one unit; or
- 319 (ii) any portion of the common areas and facilities.
- 320 (4) Subject to Subsection (3), the following within the boundaries of a unit are part of
- 321 the unit:
- 322 (a) spaces;
- 323 (b) interior partitions; and
- 324 (c) other fixtures and improvements.
- 325 (5) The following, if designated to serve a single unit but located outside the unit's
- 326 boundaries, are limited common areas and facilities allocated exclusively to a unit:
- 327 (a) a shutter;
- 328 (b) an awning;
- 329 (c) a window box;
- 330 (d) a doorstep;
- 331 (e) a stoop;
- 332 (f) a porch;
- 333 (g) a balcony;
- 334 (h) a patio;
- 335 (i) an exterior door;

336 (j) an exterior window; and

337 (k) any other fixture.

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

339 **57-8-8.1. Equal treatment by rules required -- Limits on rules.**

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

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

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

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

346 (iii) for a unit that a unit owner leases for a term of less than 30 days, impose a
347 reasonable limit on the number of individuals that may use the common areas and facilities as
348 the rental unit tenant's guest or as the unit owner's guest.

349 (2) (a) If a unit owner owns a rental unit and is in compliance with the association of
350 unit owners' governing documents and any rule that the association of unit owners adopts under
351 [~~Subsection (4)~~] Subsection (5), a rule may not treat the unit owner differently because the unit
352 owner owns a rental unit.

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

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

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

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

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

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

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

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

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

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

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

371 or

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

374 (A) size and facilities; and

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

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

377 (5) Unless otherwise provided in the declaration, an association of unit owners may by
378 rule:

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

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

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

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

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

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

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

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

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

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

398 (8) (a) A rule may not:
399 (i) prohibit a unit owner from displaying in a window of the owner's condominium
400 unit:

- 401 (A) a for-sale sign; or
- 402 (B) a political sign;
- 403 (ii) regulate the content of a political sign; or
- 404 (iii) establish design criteria for a political sign.

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

407 (9) ~~[An]~~ For any area for which one or more unit owners are responsible for landscape
408 maintenance, the association of unit owners:

409 (a) shall adopt rules supporting ~~[water-efficient landscaping, including allowance for]~~
410 water wise landscaping, including:

- 411 (i) low water use requirements on lawns during drought conditions;
- 412 (ii) design criterion for water wise landscaping; and
- 413 (iii) limiting permissible plant material to specific water wise plant material;

414 (b) may not prohibit low water use on lawns during drought conditions; and

415 ~~[(b)]~~ (c) may not prohibit or restrict the conversion of a grass park strip to
416 water-efficient landscaping.

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

420 (11) A rule shall be reasonable.

421 (12) A declaration, or an amendment to a declaration, may vary any of the
422 requirements of Subsections (1) through (5), except Subsection (1)(b)(ii).

423 (13) This section applies to an association of unit owners regardless of when the
424 association of unit owners is created.

425 Section 5. Section **57-8-10.1** is amended to read:

426 **57-8-10.1. Rental restrictions.**

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

428 (i) create restrictions on the number and term of rentals in a condominium project; or

429 (ii) prohibit rentals in the condominium project.

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

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

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

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

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

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

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

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

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

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

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

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

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

451 (i) the unit owner occupies the unit;

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

455 (iii) the unit is transferred; and

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

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

- 460 (ii) ensure consistent administration and enforcement of the rental restrictions.
- 461 (3) For purposes of Subsection (2)(b)(iii), a transfer occurs when one or more of the
462 following occur:
- 463 (a) the conveyance, sale, or other transfer of a unit by deed;
- 464 (b) the granting of a life estate in the unit; or
- 465 (c) if the unit is owned by a limited liability company, corporation, partnership, or
466 other business entity, the sale or transfer of more than 75% of the business entity's share, stock,
467 membership interests, or partnership interests in a 12-month period.
- 468 (4) This section does not limit or affect residency age requirements for an association
469 of unit owners that complies with the requirements of the Housing for Older Persons Act, 42
470 U.S.C. Sec. 3607.
- 471 (5) A declaration or amendment to a declaration recorded before transfer of the first
472 unit from the initial declarant may prohibit or restrict rentals without providing for the
473 exceptions, provisions, and procedures required under Subsection (2).
- 474 (6) (a) Subsections (1) through (5) do not apply to:
- 475 (i) a condominium project that contains a time period unit as defined in Section 57-8-3;
- 476 (ii) any other form of timeshare interest as defined in Section 57-19-2; or
- 477 (iii) subject to Subsection (6)(b), a condominium project in which the initial
478 declaration is recorded before May 12, 2009, unless, on or after May 12, 2015, the association
479 of unit owners:
- 480 (A) adopts a rental restriction or prohibition; or
- 481 (B) amends an existing rental restriction or prohibition.
- 482 (b) An association that adopts a rental restriction or amends an existing rental
483 restriction or prohibition before May 9, 2017, is not required to include the exemption
484 described in Subsection (2)(a)(iv).
- 485 (7) Notwithstanding this section, an association of unit owners may restrict or prohibit
486 rentals without an exception described in Subsection (2) if:
- 487 (a) the restriction or prohibition receives unanimous approval by all unit owners; and
- 488 (b) when the restriction or prohibition requires an amendment to the association of unit
489 owners' declaration, the association of unit owners fulfills all other requirements for amending
490 the declaration described in the association of unit owners' governing documents.

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

- 493 (a) obtain the association of unit owners' approval of a prospective renter;
494 (b) give the association of unit owners:
495 (i) a copy of a rental application;
496 (ii) a copy of a renter's or prospective renter's credit information or credit report;
497 (iii) a copy of a renter's or prospective renter's background check; or
498 (iv) documentation to verify the renter's age; [~~or~~]
499 (c) pay an additional assessment, fine, or fee because the unit is a rental unit[?];
500 (d) use a lease agreement provided by the association;
501 (e) obtain the association's approval of a lease agreement;
502 (f) use a lease agreement for an initial term longer than six months; or
503 (g) otherwise make a rental unit available for an initial term longer than six months.

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

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

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

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

515 (c) An association that permits [~~at least 35% of the~~] units in the association to be rental
516 units may charge a unit owner who owns a rental unit an annual fee of up to \$200 to defray the
517 association's additional administrative expenses directly related to a unit that is a rental unit, as
518 detailed in an accounting provided to the unit owner.

519 (d) An association may require a unit owner who owns a rental unit and the renter of
520 the unit owner's rental unit to sign an addendum to a lease agreement provided by the
521 association.

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

524 Section 6. Section 57-8-32 is amended to read:

525 **57-8-32. Sale of property.**

526 (1) Unless otherwise provided in the declaration or bylaws, and notwithstanding the
527 provisions of Sections 57-8-30 and 57-8-31, the unit owners may~~[, at a meeting of unit owners
528 called for the purpose of voting,]~~ by an affirmative vote of at least 67% of unit owners, elect to
529 sell, convey, transfer, or otherwise dispose of the property or all or part of the common areas
530 and facilities.

531 (2) An affirmative vote described in Subsection (1) is binding upon all unit owners,
532 and each unit owner shall execute and deliver the appropriate instruments and perform all acts
533 as necessary to effect the sale, conveyance, transfer, or other disposition of the property or
534 common areas and facilities.

535 (3) The general easement of ingress, egress, and use of the common areas and facilities
536 granted to an association and unit owners through recorded governing documents is
537 extinguished in any portion of the common areas and facilities the unit owners sell, convey,
538 transfer, or otherwise dispose of, if:

539 (a) the unit owners, in selling, conveying, transferring, or otherwise disposing of the
540 portion of the common areas and facilities, comply with:

541 (i) the provisions of this section; and

542 (ii) Section 10-9a-606 or 17-27a-606; and

543 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
544 areas and facilities results in a person other than the association or a unit owner owning the
545 portion of the common areas and facilities.

546 (4) This section applies to an association of unit owners regardless of when the
547 association of unit owners is created.

548 Section 7. Section 57-8-39 is amended to read:

549 **57-8-39. Limitation on requirements for amending governing documents --**

550 **Limitation on contracts.**

551 (1) (a) (i) To amend the governing documents, the governing documents may not
552 require:

553 (A) for an amendment adopted after the period of administrative control, the vote or
554 approval of unit owners with more than 67% of the voting interests;

555 (B) the approval of any specific unit owner; or

556 (C) the vote or approval of lien holders holding more than 67% of the first position
557 security interests secured by a mortgage or trust deed in the association of unit owners.

558 (ii) Any provision in the governing documents that prohibits a vote or approval to
559 amend any part of the governing documents during a particular time period is invalid.

560 (b) Subsection (1)(a) does not apply to an amendment affecting only:

561 (i) the undivided interest of each unit owner in the common areas and facilities, as
562 expressed in the declaration;

563 (ii) unit boundaries; or

564 (iii) unit owners' voting rights.

565 (2) (a) A contract for services such as garbage collection, maintenance, lawn care, or
566 snow removal executed on behalf of the association of unit owners during a period of
567 administrative control is binding beyond the period of administrative control unless terminated
568 by the management committee after the period of administrative control ends.

569 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,
570 cable services, and other similar services that require an investment of infrastructure or capital.

571 (3) Voting interests under Subsection (1) are calculated in the manner required by the
572 governing documents.

573 (4) (a) A unit owner is considered to vote in favor of a proposed amendment to the
574 governing documents if:

575 (i) the association satisfies the notice requirements described in this Subsection (4);

576 (ii) the unit owner does not respond before the deadline described in Subsection

577 (4)(c)(iii);

578 (iii) the unit owner does not vote on the proposed amendment:

579 (A) in the meeting in which the vote occurs; or

580 (B) by written ballot in accordance with Section [16-6a-709](#);

581 (iv) at least 36% of the voting interests, excluding the voting interests of the

582 management committee members, vote in the meeting on the proposed amendment; and

583 (v) 67% of voting interests that vote on the proposed amendment vote in favor of the

584 proposed amendment, or a lower threshold if provided in the governing documents.

585 (b) (i) A proposed amendment to the governing documents is adopted if the total
586 voting interests represented by the presumptive votes described in Subsection (4)(a) and the
587 affirmative votes satisfy the threshold in the governing documents required for an amendment.

588 (ii) An amendment to the governing documents that is adopted as a result of one or
589 more presumptive votes described in Subsection (4)(a) may not take effect before 14 days after
590 the day on which the vote on the amendment occurs.

591 (iii) An association may overturn an amendment to the governing documents that is
592 adopted as a result of one or more presumptive votes described in Subsection (4)(a) if:

593 (A) the association convenes a meeting for the purpose of voting to overturn the
594 amendment; and

595 (B) at least 51% of the total voting interests vote to overturn the amendment.

596 (c) Before an association considers a unit owner's vote on a proposed amendment to
597 the governing documents as a favorable vote in accordance with Subsection (4)(a), the
598 association shall provide the unit owner:

599 (i) written notice, as described in this Subsection (4)(c), at least 60 days before the day
600 on which the association votes on the proposed amendment; and

601 (ii) if the unit owner does not respond to the written notice within 30 days after the day
602 on which the notice is sent, a second written notice that includes the information described in
603 Subsection (4)(c)(iii).

604 (iii) An association shall include the following in a notice under this Subsection (4)(c):

605 (A) a copy of the proposed amendment;

606 (B) if the vote will occur at a meeting, the time, date, and location of the meeting
607 where the vote on the proposed amendment will occur;

608 (C) a deadline by which the unit owner must respond to the notice and indicate whether
609 the unit owner supports the proposed amendment;

610 (D) the name and contact information for the individual designated to receive a
611 response described in Subsection (4)(c)(iii)(C); and

612 (E) a statement that failure to respond by the deadline described in Subsection
613 (4)(c)(iii)(C) may have the effect of voting in favor of the proposed amendment.

614 (d) (i) An association may send a notice described in Subsection (4)(c) electronically or

615 via certified mail.

616 (ii) If the association sends the notice electronically, the association shall deliver the
617 notice to the email address that the unit owner provides to the management committee.

618 (iii) If the association sends the notice via certified mail, the association shall deliver
619 the notice to the unit owner's mailing address provided to the management committee or, if the
620 unit owner does not provide a mailing address, the address listed in the most recently recorded
621 instrument containing an address.

622 [~~4~~] (5) Nothing in this section affects any other rights reserved by the declarant.

623 [~~5~~] (6) This section applies to an association of unit owners regardless of when the
624 association of unit owners is created.

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

626 **57-8a-102. Definitions.**

627 As used in this chapter:

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

629 (i) by the association;

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

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

632 (b) "Assessment" includes:

633 (i) a common expense; and

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

635 (2) (a) Except as provided in Subsection (2)(b), "association" means a corporation or
636 other legal entity, any member of which:

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

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

640 (A) real property taxes;

641 (B) insurance premiums;

642 (C) maintenance costs; or

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

644 (b) "Association" or "homeowner association" does not include an association created
645 under Chapter 8, Condominium Ownership Act.

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

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

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

651 (a) owns;

652 (b) maintains;

653 (c) repairs; or

654 (d) administers.

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

657 (7) "Declarant":

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

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

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

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

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

665 (11) (a) "Governing documents" means a written instrument by which the association
666 may:

667 (i) exercise powers; or

668 (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
669 association.

670 (b) "Governing documents" includes:

671 (i) articles of incorporation;

672 (ii) bylaws;

673 (iii) a plat;

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

675 (v) rules of the association.

676 (12) "Independent third party" means a person that:

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

681 (13) "Judicial foreclosure" means a foreclosure of a lot:

- 682 (a) for the nonpayment of an assessment;
- 683 (b) in the manner provided by law for the foreclosure of a mortgage on real property;

684 and

685 (c) as provided in Part 3, Collection of Assessments.

686 (14) "Lease" or "leasing" means regular, exclusive occupancy of a lot:

- 687 (a) by a person or persons other than the owner; and
- 688 (b) for which the owner receives a consideration or benefit, including a fee, service,

689 gratuity, or emolument.

690 (15) "Limited common areas" means common areas described in the declaration and

691 allocated for the exclusive use of one or more lot owners.

692 (16) "Lot" means:

693 (a) a lot, parcel, plot, or other division of land:

694 (i) designated for separate ownership or occupancy; and

695 (ii) (A) shown on a recorded subdivision plat; or

696 (B) the boundaries of which are described in a recorded governing document; or

697 (b) (i) a unit in a condominium association if the condominium association is a part of

698 a development; or

699 (ii) a unit in a real estate cooperative if the real estate cooperative is part of a

700 development.

701 (17) (a) "Means of electronic communication" means an electronic system that allows

702 individuals to communicate orally in real time.

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

704 (i) web conferencing;

705 (ii) video conferencing; and

706 (iii) telephone conferencing.

707 (18) "Mixed-use project" means a project under this chapter that has both residential

708 and commercial lots in the project.

709 (19) "Nonjudicial foreclosure" means the sale of a lot:

710 (a) for the nonpayment of an assessment;

711 (b) in the same manner as the sale of trust property under Sections [57-1-19](#) through

712 [57-1-34](#); and

713 (c) as provided in Part 3, Collection of Assessments.

714 (20) "Period of administrative control" means the period during which the person who

715 filed the association's governing documents or the person's successor in interest retains

716 authority to:

717 (a) appoint or remove members of the association's board of directors; or

718 (b) exercise power or authority assigned to the association under the association's

719 governing documents.

720 (21) "Political sign" means any sign or document that advocates:

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

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

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

724 (23) "Rentals" or "rental lot" means:

725 (a) a lot that:

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

727 (ii) is occupied by an individual while the lot owner is not occupying the lot as the lot

728 owner's primary residence; ~~or~~

729 (b) an occupied lot owned by an entity or trust, regardless of who occupies the lot~~[-]~~; or

730 (c) an internal accessory dwelling unit as defined in Section [10-9a-530](#) or [17-27a-526](#).

731 (24) "Residential lot" means a lot, the use of which is limited by law, covenant, or

732 otherwise to primarily residential or recreational purposes.

733 (25) (a) "Rule" means a policy, guideline, restriction, procedure, or regulation of an

734 association that:

735 (i) is not set forth in a contract, easement, article of incorporation, bylaw, or

736 declaration; and

737 (ii) governs:

738 (A) the conduct of persons; or

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

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

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

742 (27) "Solar energy system" means:

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

744 (b) the components of the system described in Subsection (27)(a).

745 Section 9. Section **57-8a-104** is amended to read:

746 **57-8a-104. Limitation on requirements for amending governing documents --**

747 **Limitation on contracts.**

748 (1) (a) (i) To amend the governing documents, the governing documents may not
749 require:

750 (A) for an amendment adopted after the period of administrative control, the vote or
751 approval of lot owners with more than 67% of the voting interests;

752 (B) the approval of any specific lot owner; or

753 (C) the vote or approval of lien holders holding more than 67% of the first position
754 security interests secured by a mortgage or trust deed in the association.

755 (ii) Any provision in the governing documents that prohibits a vote or approval to
756 amend any part of the governing documents during a particular time period is invalid.

757 (b) Subsection (1)(a) does not apply to an amendment affecting only:

758 (i) lot boundaries; or

759 (ii) lot owner's voting rights.

760 (2) (a) A contract for services such as garbage collection, maintenance, lawn care, or
761 snow removal executed on behalf of the association during a period of administrative control is
762 binding beyond the period of administrative control unless terminated by the board of directors
763 after the period of administrative control ends.

764 (b) Subsection (2)(a) does not apply to golf course and amenity management, utilities,
765 cable services, and other similar services that require an investment of infrastructure or capital.

766 (3) Voting interests under Subsection (1) are calculated in the manner required by the
767 governing documents.

768 (4) (a) A lot owner is considered to vote in favor of a proposed amendment to the
769 governing documents if:

- 770 (i) the association satisfies the notice requirements described in this Subsection (4);
771 (ii) the lot owner does not respond before the deadline described in Subsection
772 (4)(c)(iii);
773 (iii) the lot owner does not vote on the proposed amendment:
774 (A) in the meeting in which the vote occurs; or
775 (B) by written ballot in accordance with Section 16-6a-709;
776 (iv) at least 36% of voting interests, excluding the voting interests of the members of
777 the board of directors, vote in the meeting on the proposed amendment; and
778 (v) 67% of the voting interests that vote on the proposed amendment vote in favor of
779 the proposed amendment, or a lower threshold if provided in the governing documents.
780 (b) (i) A proposed amendment to the governing documents is adopted if the total
781 voting interests represented by the presumptive votes described in Subsection (4)(a) and the
782 affirmative votes satisfy the threshold in the governing documents required for an amendment.
783 (ii) An amendment to the governing documents that is adopted as a result of one or
784 more presumptive votes described in Subsection (4)(a) may not take effect before 14 days after
785 the day on which the vote on the amendment occurs.
786 (iii) An association may overturn an amendment to the governing documents that is
787 adopted as a result of one or more presumptive votes described in Subsection (4)(a) if:
788 (A) the association convenes a meeting for the purpose of voting to overturn the
789 amendment; and
790 (B) at least 51% of the total voting interests vote to overturn the amendment.
791 (c) Before an association considers a lot owner's vote on a proposed amendment to the
792 governing documents as a favorable vote in accordance with Subsection (4)(a), the association
793 shall provide the lot owner:
794 (i) written notice, as described in this Subsection (4)(c), at least 60 days before the day
795 on which the association votes on the proposed amendment; and
796 (ii) if the lot owner does not respond to the written notice within 30 days after the day
797 on which the notice is sent, a second written notice that includes the information described in
798 Subsection (4)(c)(iii).
799 (iii) An association shall include the following in a notice under this Subsection (4)(c):
800 (A) a copy of the proposed amendment;

801 (B) if the vote will occur at a meeting, the time, date, and location of the meeting
802 where the vote on the proposed amendment will occur;

803 (C) a deadline by which the lot owner must respond to the notice and indicate whether
804 the lot owner supports the proposed amendment;

805 (D) the name and contact information for the individual designated to receive a
806 response described in Subsection (4)(c)(iii)(C); and

807 (E) a statement that failure to respond by the deadline described in Subsection
808 (4)(c)(iii)(C) may have the effect of voting in favor of the proposed amendment.

809 (d) (i) An association may send a notice described in Subsection (4)(c) electronically or
810 via certified mail.

811 (ii) If the association sends the notice electronically, the association shall deliver the
812 notice to the email address that the lot owner provides to the board of directors.

813 (iii) If the association sends the notice via certified mail, the association shall deliver
814 the notice to the lot owner's mailing address provided to the board of directors or, if the lot
815 owner does not provide a mailing address, the address listed in the most recently recorded
816 instrument containing an address.

817 ~~[(4)]~~ (5) Nothing in this section affects any other rights reserved by the person who
818 filed the association's original governing documents or a successor in interest.

819 ~~[(5)]~~ (6) This section applies to an association regardless of when the association is
820 created.

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

822 **57-8a-209. Rental restrictions.**

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

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

825 (ii) prohibit rentals in the association.

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

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

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

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

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

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

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

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

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

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

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

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

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

848 (i) the lot owner occupies the lot;

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

852 (iii) the lot is transferred; and

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

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

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

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

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

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

861 (c) if the lot is owned by a limited liability company, corporation, partnership, or other
862 business entity, the sale or transfer of more than 75% of the business entity's share, stock,

863 membership interests, or partnership interests in a 12-month period.

864 (4) This section does not limit or affect residency age requirements for an association
865 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec.
866 3607.

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

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

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

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

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

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

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

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

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

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

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

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

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

891 (b) give the association:

892 (i) a copy of a rental application;

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

- 894 (iii) a copy of a renter's or prospective renter's background check; or
895 (iv) documentation to verify the renter's age; [~~or~~]
896 (c) pay an additional assessment, fine, or fee because the lot is a rental lot[-];
897 (d) use a lease agreement provided by the association;
898 (e) obtain the association's approval of a lease agreement;
899 (f) use a lease agreement for an initial term longer than six months; or
900 (g) otherwise make a rental lot available for an initial term longer than six months.
901 (9) (a) A lot owner who owns a rental lot shall give an association the documents
902 described in Subsection (8)(b) if the lot owner is required to provide the documents by court
903 order or as part of discovery under the Utah Rules of Civil Procedure.
904 (b) If an association's declaration of covenants, conditions, and restrictions lawfully
905 prohibits or restricts occupancy of the lots by a certain class of individuals, the association may
906 require a lot owner who owns a rental lot to give the association the information described in
907 Subsection (8)(b), if:
908 (i) the information helps the association determine whether the renter's occupancy of
909 the lot complies with the association's declaration of covenants, conditions, and restrictions;
910 and
911 (ii) the association uses the information to determine whether the renter's occupancy of
912 the lot complies with the association's declaration of covenants, conditions, and restrictions.
913 (c) An association that permits at least 35% of the lots in the association to be rental
914 lots may charge a lot owner who owns a rental lot an annual fee of up to \$200 to defray the
915 association's additional administrative expenses directly related to a lot that is a rental lot, as
916 detailed in an accounting provided to the lot owner.
917 (d) An association may require a lot owner who owns a rental lot and the renter of the
918 lot owner's rental lot to sign an addendum to a lease agreement provided by the association.
919 (10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the
920 rental of an internal accessory dwelling unit, as defined in Section [10-9a-530](#) or [17-27a-526](#),
921 constructed within a lot owner's residential lot, if the internal accessory dwelling unit complies
922 with all applicable:
923 (a) land use ordinances;
924 (b) building codes;

925 (c) health codes; and

926 (d) fire codes.

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

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

930 **57-8a-218. Equal treatment by rules required -- Limits on association rules and**
931 **design criteria.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

961 (ii) outside a dwelling on:

962 (A) a lot;

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

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

967 (b) Notwithstanding Subsection (3)(a), the association may adopt a reasonable time,
968 place, and manner restriction with respect to a display that is:

969 (i) outside a dwelling on:

970 (A) a lot;

971 (B) the exterior of the dwelling; or

972 (C) the front yard of the dwelling; and

973 (ii) visible from outside the lot.

974 (4) (a) A rule may not prohibit a lot owner from displaying a political sign:

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

976 (ii) outside a dwelling on:

977 (A) a lot;

978 (B) the exterior of the dwelling, regardless of whether the association has an ownership
979 interest in the exterior; or

980 (C) the front yard of the dwelling, regardless of whether the association has an
981 ownership interest in the yard.

982 (b) A rule may not regulate the content of a political sign.

983 (c) Notwithstanding Subsection (4)(a), a rule may reasonably regulate the time, place,
984 and manner of posting a political sign.

985 (d) An association design provision may not establish design criteria for a political
986 sign.

- 987 (5) (a) A rule may not prohibit a lot owner from displaying a for-sale sign:
988 (i) inside a dwelling on a lot; or
989 (ii) outside a dwelling on:
990 (A) a lot;
991 (B) the exterior of the dwelling, regardless of whether the association has an ownership
992 interest in the exterior; or
993 (C) the front yard of the dwelling, regardless of whether the association has an
994 ownership interest in the yard.
995 (b) Notwithstanding Subsection (5)(a), a rule may reasonably regulate the time, place,
996 and manner of posting a for-sale sign.
997 (6) (a) A rule may not interfere with the freedom of a lot owner to determine the
998 composition of the lot owner's household.
999 (b) Notwithstanding Subsection (6)(a), an association may:
1000 (i) require that all occupants of a dwelling be members of a single housekeeping unit;
1001 or
1002 (ii) limit the total number of occupants permitted in each residential dwelling on the
1003 basis of the residential dwelling's:
1004 (A) size and facilities; and
1005 (B) fair use of the common areas.
1006 (7) (a) A rule may not interfere with a reasonable activity of a lot owner within the
1007 confines of a dwelling or lot, including backyard landscaping or amenities, to the extent that
1008 the activity is in compliance with local laws and ordinances, including nuisance laws and
1009 ordinances.
1010 (b) Notwithstanding Subsection (7)(a), a rule may prohibit an activity within the
1011 confines of a dwelling or lot, including backyard landscaping or amenities, if the activity:
1012 (i) is not normally associated with a project restricted to residential use; or
1013 (ii) (A) creates monetary costs for the association or other lot owners;
1014 (B) creates a danger to the health or safety of occupants of other lots;
1015 (C) generates excessive noise or traffic;
1016 (D) creates unsightly conditions visible from outside the dwelling;
1017 (E) creates an unreasonable source of annoyance to persons outside the lot; or

1018 (F) if there are attached dwellings, creates the potential for smoke to enter another lot
1019 owner's dwelling, the common areas, or limited common areas.

1020 (c) If permitted by law, an association may adopt rules described in Subsection (7)(b)
1021 that affect the use of or behavior inside the dwelling.

1022 (8) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written
1023 objection to the board, alter the allocation of financial burdens among the various lots.

1024 (b) Notwithstanding Subsection (8)(a), an association may:

1025 (i) change the common areas available to a lot owner;

1026 (ii) adopt generally applicable rules for the use of common areas; or

1027 (iii) deny use privileges to a lot owner who:

1028 (A) is delinquent in paying assessments;

1029 (B) abuses the common areas; or

1030 (C) violates the governing documents.

1031 (c) This Subsection (8) does not permit a rule that:

1032 (i) alters the method of levying assessments; or

1033 (ii) increases the amount of assessments as provided in the declaration.

1034 (9) (a) Subject to Subsection (9)(b), a rule may not:

1035 (i) prohibit the transfer of a lot; or

1036 (ii) require the consent of the association or board to transfer a lot.

1037 (b) Unless contrary to a declaration, a rule may require a minimum lease term.

1038 (10) (a) A rule may not require a lot owner to dispose of personal property that was in
1039 or on a lot before the adoption of the rule or design criteria if the personal property was in
1040 compliance with all rules and other governing documents previously in force.

1041 (b) The exemption in Subsection (10)(a):

1042 (i) applies during the period of the lot owner's ownership of the lot; and

1043 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
1044 the rule described in Subsection (10)(a).

1045 (11) A rule or action by the association or action by the board may not unreasonably
1046 impede a declarant's ability to satisfy existing development financing for community
1047 improvements and right to develop:

1048 (a) the project; or

- 1049 (b) other properties in the vicinity of the project.
- 1050 (12) A rule or association or board action may not interfere with:
- 1051 (a) the use or operation of an amenity that the association does not own or control; or
- 1052 (b) the exercise of a right associated with an easement.
- 1053 (13) A rule may not divest a lot owner of the right to proceed in accordance with a
- 1054 completed application for design review, or to proceed in accordance with another approval
- 1055 process, under the terms of the governing documents in existence at the time the completed
- 1056 application was submitted by the owner for review.
- 1057 (14) Unless otherwise provided in the declaration, an association may by rule:
- 1058 (a) regulate the use, maintenance, repair, replacement, and modification of common
- 1059 areas;
- 1060 (b) impose and receive any payment, fee, or charge for:
- 1061 (i) the use, rental, or operation of the common areas, except limited common areas; and
- 1062 (ii) a service provided to a lot owner;
- 1063 (c) impose a charge for a late payment of an assessment; or
- 1064 (d) provide for the indemnification of the association's officers and board consistent
- 1065 with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
- 1066 (15) A rule may not prohibit a lot owner from installing a personal security camera
- 1067 immediately adjacent to the entryway, window, or other outside entry point of the owner's
- 1068 dwelling unit.
- 1069 (16) (a) ~~[An]~~ For any area for which one or more lot owners are responsible for
- 1070 landscape maintenance of any landscaping within the lot owner's lot or the common areas, the
- 1071 association
- 1072 shall adopt rules supporting ~~[water-efficient landscaping, including allowance for]~~
- 1073 water wise landscaping as defined in Section 57-8a-231 including:
- 1074 (i) low water use requirements on lawns during drought conditions;
- 1075 (ii) design criterion for water wise landscaping; and
- 1076 (iii) ~~[-]~~ limiting permissible plant material to specific water wise plant material.
- 1077 (b) A rule may not:
- 1078 (i) prohibit or restrict the conversion of a grass park strip to ~~[water-efficient~~
- 1079 ~~landscaping;]~~ water wise landscaping as defined in Section 57-8a-231; or

1080 (ii) prohibit low water use on lawns during drought conditions.

1081 [~~(c) An association subject to this chapter and formed before March 5, 2023, shall~~
1082 ~~adopt rules required under Subsection (16)(a) before June 30, 2023.~~]

1083 (17) (a) Except as provided in Subsection (17)(b), a rule may not prohibit the owner of
1084 a residential lot from constructing an internal accessory dwelling unit, as defined in Section
1085 [10-9a-530](#) or [17-27a-526](#), within the owner's residential lot.

1086 (b) Subsection (17)(a) does not apply if the construction would violate:

1087 (i) a local land use ordinance;

1088 (ii) a building code;

1089 (iii) a health code; or

1090 (iv) a fire code.

1091 (18) A rule may restrict a sex offender from accessing a protected area that is
1092 maintained, operated, or owned by the association, subject to the exceptions described in
1093 Subsection [77-27-21.7\(3\)](#).

1094 (19) A rule shall be reasonable.

1095 (20) A declaration, or an amendment to a declaration, may vary any of the
1096 requirements of Subsections (1), (2), (6), and (8) through (14), except Subsection (1)(b)(ii).

1097 (21) A rule may not be inconsistent with a provision of the association's declaration,
1098 bylaws, or articles of incorporation.

1099 (22) This section applies to an association regardless of when the association is
1100 created.

1101 Section 12. Section [57-8a-231](#) is amended to read:

1102 **[57-8a-231. Water wise landscaping.](#)**

1103 (1) As used in this section:

1104 (a) "Lawn or turf" means nonagricultural land planted in closely mowed, managed
1105 grasses.

1106 (b) "Mulch" means material such as rock, bark, wood chips, or other materials left
1107 loose and applied to the soil.

1108 (c) "Overhead spray irrigation" means above ground irrigation heads that spray water
1109 through a nozzle.

1110 (d) (i) "Vegetative coverage" means the ground level surface area covered by the

1111 exposed leaf area of a plant or group of plants at full maturity.

1112 (ii) "Vegetative coverage" does not mean the ground level surface area covered by the
1113 exposed leaf area of a tree or trees.

1114 (e) "Water wise landscaping" means any or all of the following:

1115 (i) installation of plant materials suited to the microclimate and soil conditions that
1116 can:

1117 (A) remain healthy with minimal irrigation once established; or

1118 (B) be maintained without the use of overhead spray irrigation;

1119 (ii) use of water for outdoor irrigation through proper and efficient irrigation design
1120 and water application; or

1121 (iii) the use of other landscape design features that:

1122 (A) minimize the need of the landscape for supplemental water from irrigation;

1123 (B) reduce the landscape area dedicated to lawn or turf; or

1124 (C) encourage vegetative coverage.

1125 (f) "Water wise plant material" means a plant material suited to water wise landscaping
1126 as defined in this section.

1127 (2) An association may not enact or enforce a governing document that prohibits, or
1128 has the effect of prohibiting, a lot owner of a detached dwelling from incorporating water wise
1129 landscaping on the [property] lot owner's [property] lot.

1130 (3) (a) Subject to Subsection (3)(b), Subsection (2) does not prohibit an association
1131 from requiring a property owner to:

1132 (i) comply with a site plan review or other review process before installing water wise
1133 landscaping;

1134 (ii) maintain plant material in a healthy condition; and

1135 (iii) follow specific water wise landscaping design requirements adopted by the
1136 association including a requirement that:

1137 (A) restricts or clarifies the use of mulches considered detrimental to the association's
1138 operations; and

1139 (B) restricts or prohibits the use of specific plant materials other than water wise plant
1140 materials.

1141 (b) An association may not require a [property] lot owner to:

1142 (i) install or keep in place lawn or turf in an area with a width less than eight feet; or
1143 (ii) have more than 50% vegetative coverage, that is not water wise landscaping, on the
1144 [property] lot owner's [property] lot.

1145 (4) (a) Subject to Subsection (4)(b), if an association does not adopt rules as required
1146 by Subsection 57-8a-218(16) and fails to remedy the noncompliance within the time specified
1147 in Subsection (4)(c), a lot owner may file an action in state court for:

1148 (i) injunctive relief requiring the association to comply with the requirements of
1149 Subsection 57-8a-218(16);

1150 (ii) \$500, or the lot owner's actual damages, whichever is greater;

1151 (iii) any other remedy provided by law; and

1152 (iv) reasonable costs and attorney fees.

1153 (b) No fewer than 90 days before the day on which a lot owner files a complaint under
1154 Subsection (4)(a), the lot owner shall deliver written notice described in Subsection (4)(c) to
1155 the association.

1156 (c) The lot owner shall include in a notice described in Subsection (4)(b):

1157 (i) the requirements in Subsection 57-8a-218(16) for adopting water wise landscaping
1158 rules with which the association has failed to comply;

1159 (ii) a demand that the association come into compliance with the requirements; and

1160 (iii) a date, no fewer than 90 days after the day on which the lot owner delivers the
1161 notice, by which the association must remedy the association's noncompliance.

1162 Section 13. Section 57-8a-232 is enacted to read:

1163 **57-8a-232. Sale of common areas.**

1164 (1) Unless otherwise provided in the governing documents, an association may by an
1165 affirmative vote of at least 67% of the voting interests of the association, elect to sell, convey,
1166 transfer, or otherwise dispose of all or part of the common areas.

1167 (2) An affirmative vote described in Subsection (1) is binding upon all lot owners, and
1168 each lot owner shall execute and deliver the appropriate instruments and perform all acts as
1169 necessary to effect the sale, conveyance, transfer, or other disposition of the common areas.

1170 (3) The general easement of ingress, egress, and use of the common areas and facilities
1171 granted to an association and lot owners through recorded governing documents is
1172 extinguished in any portion of the common areas and facilities the association sells, conveys,

1173 transfers, or otherwise disposes of, if:

1174 (a) the lot owners, in selling, conveying, transferring, or otherwise disposing of the
1175 portion of the common areas, comply with:

1176 (i) the provisions of this section; and

1177 (ii) Section 10-9a-606 or 17-27a-606; and

1178 (b) the sale, conveyance, transfer, or other disposition of the portion of the common
1179 areas results in a person other than the association or a lot owner owning the portion of the
1180 common areas and facilities.

1181 (4) This section applies to an association regardless of when the association is created.

1182 Section 14. Section 59-2-301.1 is amended to read:

1183 **59-2-301.1. Assessment of property subject to a conservation easement --**

1184 **Assessment of golf course or hunting club -- Assessment of common areas.**

1185 (1) In assessing the fair market value of property subject to a conservation easement
1186 under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall consider
1187 factors relating to the property and neighboring property that affect the fair market value of the
1188 property being assessed, including:

1189 (a) value that transfers to neighboring property because of the presence of a
1190 conservation easement on the property being assessed;

1191 (b) practical and legal restrictions on the development potential of the property because
1192 of the presence of the conservation easement;

1193 (c) the absence of neighboring property similarly subject to a conservation easement to
1194 provide a basis for comparing values between properties; and

1195 (d) any other factor that causes the fair market value of the property to be affected
1196 because of the presence of a conservation easement.

1197 (2) (a) In assessing the fair market value of a golf course or hunting club, a county
1198 assessor shall consider factors relating to the golf course or hunting club and neighboring
1199 property that affect the fair market value of the golf course or hunting club, including:

1200 (i) value that transfers to neighboring property because of the presence of the golf
1201 course or hunting club;

1202 (ii) practical and legal restrictions on the development potential of the golf course or
1203 hunting club; and

1204 (iii) the history of operation of the golf course or hunting club and the likelihood that
1205 the present use will continue into the future.

1206 (b) The valuation method a county assessor may use in determining the fair market
1207 value of a golf course or hunting club includes:

1208 (i) the cost approach;

1209 (ii) the income capitalization approach; and

1210 (iii) the sales comparison approach.

1211 (3) Except as otherwise provided by the plat or accompanying recorded document, a
1212 county assessor shall assess a common area and facility as defined in Section 57-8-3 or a
1213 common area as defined in Section 57-8a-102 consistent with the equal ownership interests
1214 described in Subsection 10-9a-606(4) or 17-27a-606(4) and may not assess the common area
1215 and facility or common area in a manner that reflects a different division of interest.

1216 [~~3~~] (4) In assessing the fair market value of property that is a common area or facility
1217 under Title 57, Chapter 8, Condominium Ownership Act, or a common area under Title 57,
1218 Chapter 8a, Community Association Act, a county assessor shall consider factors relating to the
1219 property and neighboring property that affect the fair market value of the property being
1220 assessed, including:

1221 (a) value that transfers to neighboring property because the property is a common area
1222 or facility;

1223 (b) practical and legal restrictions on the development potential of the property because
1224 the property is a common area or facility;

1225 (c) the absence of neighboring property similarly situated as a common area or facility
1226 to provide a basis for comparing values between properties; and

1227 (d) any other factor that causes the fair market value of the property to be affected
1228 because the property is a common area or facility.

1229 Section 15. **Effective date.**

1230 This bill takes effect on May 1, 2024.