



30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57

---

---

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

Section 1. Section 57-8-3 is amended to read:

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

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all

58 apparatus and installations existing for common use;

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

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

63 (6) "Common expenses" means:

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

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

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

68 (d) expenses declared common expenses by this chapter, or by the declaration or the  
69 bylaws.

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

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

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

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

83 (11) "Condominium unit" means a unit together with the undivided interest in the  
84 common areas and facilities appertaining to that unit. Any reference in this chapter to a  
85 condominium unit includes both a physical unit together with its appurtenant undivided interest

86 in the common areas and facilities and a time period unit together with its appurtenant  
87 undivided interest, unless the reference is specifically limited to a time period unit.

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

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

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

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

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

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

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

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

111 (20) "Governing documents":

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

113 (i) exercise powers; or

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

116 (b) includes:

117 (i) articles of incorporation;

118 (ii) bylaws;

119 (iii) a plat;

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

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

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

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

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

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

127 (22) "Leasehold condominium" means a condominium project in all or any portion of  
128 which each unit owner owns an estate for years in his unit, or in the land upon which that unit  
129 is situated, or both, with all those leasehold interests to expire naturally at the same time. A  
130 condominium project including leased land, or an interest in the land, upon which no units are  
131 situated or to be situated is not a leasehold condominium within the meaning of this chapter.

132 (23) "Limited common areas and facilities" means those common areas and facilities  
133 designated in the declaration as reserved for use of a certain unit or units to the exclusion of the  
134 other units.

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

138 (25) "Management committee" means the committee as provided in the declaration  
139 charged with and having the responsibility and authority to make and to enforce all of the  
140 reasonable rules covering the operation and maintenance of the property.

141 (26) (a) "Means of electronic communication" means an electronic system that allows

142 individuals to communicate orally in real time.

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

144 (i) web conferencing;

145 (ii) video conferencing; and

146 (iii) telephone conferencing.

147 (27) "Meeting" means a gathering of a management committee, whether in person or  
148 by means of electronic communication, at which the management committee can take binding  
149 action.

150 (28) "Mixed-use condominium project" means a condominium project that has both  
151 residential and commercial units in the condominium project.

152 (29) "Par value" means a number of dollars or points assigned to each unit by the  
153 declaration. Substantially identical units shall be assigned the same par value, but units located  
154 at substantially different heights above the ground, or having substantially different views, or  
155 having substantially different amenities or other characteristics that might result in differences  
156 in market value, may be considered substantially identical within the meaning of this  
157 subsection. If par value is stated in terms of dollars, that statement may not be considered to  
158 reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or  
159 fair market transaction at a different figure may affect the par value of any unit, or any  
160 undivided interest in the common areas and facilities, voting rights in the unit owners'  
161 association, liability for common expenses, or right to common profits, assigned on the basis  
162 thereof.

163 (30) "Period of administrative control" means the period of control described in  
164 Subsection [57-8-16.5\(1\)](#).

165 (31) "Person" means an individual, corporation, partnership, association, trustee, or  
166 other legal entity.

167 (32) "Property" means the land, whether leasehold or in fee simple, the building, if any,  
168 all improvements and structures thereon, all easements, rights, and appurtenances belonging  
169 thereto, and all articles of personal property intended for use in connection therewith.

170 (33) "Record," "recording," "recorded," and "recorder" have the meaning stated in  
171 ~~[Title 57;]~~ Chapter 3, Recording of Documents.

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

178 (35) "Time period unit" means an annually recurring part or parts of a year specified in  
179 the declaration as a period for which a unit is separately owned and includes a timeshare estate  
180 as defined in Subsection ~~57-19-2~~(19).

181 (36) "Unconstructed unit" means a unit that:

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

184 (b) is not constructed.

185 ~~[(36)] (37) (a) "Unit" means [either] a separate [physical] part of the property intended~~  
186 ~~for any type of independent use, [including one or more rooms or spaces located in one or more~~  
187 ~~floors or part or parts of floors in a building or a time period unit, as the context may require.~~

188 A] which is created by the recording of a declaration and a condominium plat that describes the  
189 unit boundaries.

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

192 (c) "Unit" includes a convertible space [shall be treated as a unit], in accordance with  
193 Subsection ~~57-8-13.4~~(3). ~~[A proposed condominium unit under an expandable condominium~~  
194 ~~project, not constructed, is a unit two years after the date the recording requirements of Section~~  
195 ~~57-8-13.6 are met.]~~

196 ~~[(37)] (38) "Unit number" means the number, letter, or combination of numbers and~~  
197 ~~letters designating the unit in the declaration and in the record of survey map.~~

198           ~~[(38)]~~ (39) "Unit owner" means the person or persons owning a unit in fee simple and  
199 an undivided interest in the fee simple estate of the common areas and facilities in the  
200 percentage specified and established in the declaration or, in the case of a leasehold  
201 condominium project, the person or persons whose leasehold interest or interests in the  
202 condominium unit extend for the entire balance of the unexpired term or terms.

203           Section 2. Section **57-8-16.5** is amended to read:

204           **57-8-16.5. Appointment and removal of committee members and association**  
205 **officers -- Renewal or ratification of contracts -- Failure to establish association or**  
206 **committee.**

207           (1) (a) The declaration may authorize the declarant, or a managing agent or some other  
208 person or persons selected or to be selected by the declarant, to appoint and remove some or all  
209 of the members of the management committee or some or all of the officers of the [~~unit~~  
210 ~~owners~~] association of unit owners, or to exercise powers and responsibilities otherwise  
211 assigned by the declaration and by this act to the [~~unit owners~~] association of unit owners, its  
212 officers, or the management committee.

213           (b) If the declaration authorizes the declarant to appoint or remove some or all  
214 members of the management committee or some or all of the officers of the association of unit  
215 owners during the period of control contemplated by this Subsection (1), the declarant may  
216 appoint the declarant's officers, employees or agents as members of the management committee  
217 or as officers of the association of unit owners.

218           (c) No amendment to the declaration not consented to by all unit owners shall increase  
219 the scope of this authorization, and no such authorization shall be valid after the first to occur  
220 of the following:

221           ~~[(a)]~~ (i) expiration of the time limit set by the declaration, which shall not exceed six  
222 years in the case of an expandable condominium, four years in the case of a condominium  
223 project containing any convertible land, or three years in the case of any other condominium  
224 project; or

225           ~~[(b)]~~ (ii) after units to which three-fourths of the undivided interest in the common



226 areas and facilities appertain have been conveyed, or after all additional land has been added to  
 227 the project and all convertible land has been converted, whichever last occurs.

228 (2) If entered into during the period of control contemplated by Subsection (1), no  
 229 management contract, lease of recreational areas or facilities, or any other contract or lease  
 230 designed to benefit the declarant which was executed by or on behalf of the [unit owners']  
 231 association of unit owners or the unit owners as a group shall be binding after such period of  
 232 control unless then renewed or ratified by the consent of unit owners of units to which a  
 233 majority of the votes in the [unit owners'] association of unit owners appertains.

234 (3) If the [unit owners'] association of unit owners or management committee is not in  
 235 existence or does not have officers at the time of the creation of a condominium project, the  
 236 declarant shall, until there is an association or management committee with these officers, have  
 237 the power and responsibility to act in all instances where this act or the declaration requires  
 238 action by the [unit owners'] association of unit owners, the management committee, or any of  
 239 the officers of them.

240 (4) This section shall be strictly construed to protect the rights of the unit owners.

241 Section 3. Section **57-8-24** is amended to read:

242 **57-8-24. Common profits, common expenses, and voting rights -- Unit --**  
 243 **Unconstructed unit.**

244 [~~The common profits of the property shall be distributed among, the common expenses~~  
 245 ~~shall be charged to, and the voting rights shall be available to, the unit owners according to~~  
 246 ~~their]~~

247 (1) A unit is created by the recording of the declaration and a condominium plat that  
 248 describes the unit.

249 (2) An association of unit owners shall, according to each unit owner's respective  
 250 percentage or fractional undivided interests in the common areas and facilities[-]:

251 (a) distribute the property's common profits among the unit owners;

252 (b) except as otherwise provided in the declaration for unconstructed units, assess the  
 253 unit owners the property's common expenses; and

254 (c) make voting rights available to the unit owners.  
255 (3) (a) After the recording of a condominium project's declaration, an unconstructed  
256 unit is a unit for the purposes of the declaration and this chapter, including:  
257 (i) allocation of undivided interests in the common areas and facilities in accordance  
258 with Subsection 57-8-7(2); and  
259 (ii) voting rights in accordance with Section 57-8-24.  
260 (b) Subsection (3)(a) applies to a condominium project regardless of when the  
261 condominium project's initial declaration was recorded.

262 Section 4. Section **57-8a-502** is amended to read:

263 **57-8a-502. Period of administrative control.**

264 (1) Unless otherwise provided for in a declaration, a period of administrative control  
265 terminates on the first to occur of the following:

- 266 (a) 60 days after 75% of the lots that may be created are conveyed to lot owners other  
267 than a declarant;
- 268 (b) seven years after all declarants have ceased to offer lots for sale in the ordinary  
269 course of business; or
- 270 (c) the day the declarant, after giving written notice to the lot owners, records an  
271 instrument voluntarily surrendering all rights to control activities of the association.

272 (2) (a) A declarant may voluntarily surrender the right to appoint and remove a member  
273 of the board before the period of administrative control terminates under Subsection (1).

274 (b) Subject to Subsection (2)(a), the declarant may require, for the duration of the  
275 period of administrative control, that actions of the association or board, as specified in a  
276 recorded instrument executed by the declarant, be approved by the declarant before they  
277 become effective.

278 (c) During a period of administrative control, except as provided in Subsection (2)(a), a  
279 declarant may appoint the declarant's officers, employees, or agents as members of the board.

280 (3) (a) Upon termination of the period of administrative control, the lot owners shall  
281 elect a board consisting of an odd number of at least three members, a majority of whom shall

282 be lot owners.

283 (b) Unless the declaration provides for the election of officers by the lot owners, the  
284 board shall elect officers of the association.

285 (c) The board members and officers shall take office upon election or appointment.

286 Section 5. **Effective date.**

287 If approved by two-thirds of all the members elected to each house, this bill takes effect  
288 upon approval by the governor, or the day following the constitutional time limit of Utah  
289 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,  
290 the date of veto override.