

1 **CONDOMINIUM AND COMMUNITY ASSOCIATION**

2 **AMENDMENTS**

3 2024 GENERAL SESSION

4 STATE OF UTAH

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

6 House Sponsor: _____

7

8 **LONG TITLE**

9 **General Description:**

10 This bill amends provisions relating to homeowners' associations.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ modifies the rights of a board member of a nonprofit corporation to inspect and
- 14 copy records;
- 15 ▶ prohibits an association from limiting an owner from using a short-term rental in an
- 16 association;
- 17 ▶ adds an internal accessory dwelling unit to the definition of a rental;
- 18 ▶ permits the board of a homeowners' association to presume the vote or approval of
- 19 an association member to amend the governing documents under certain conditions;
- 20 ▶ requires that a homeowners' association adopt water wise landscaping rules;
- 21 ▶ provides a remedy for an owner if the association does not implement water wise
- 22 landscaping rules;
- 23 ▶ clarifies the process by which a county assessor may assess a common area for
- 24 property tax purposes;
- 25 ▶ defines terms; and
- 26 ▶ makes technical and conforming changes.

27 **Money Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **16-6a-1602**, as last amended by Laws of Utah 2023, Chapter 503

34 **57-8-3**, as last amended by Laws of Utah 2023, Chapter 503

35 **57-8-7.2**, as enacted by Laws of Utah 2004, Chapter 290

36 **57-8-8.1**, as last amended by Laws of Utah 2023, Chapter 503

37 **57-8-39**, as last amended by Laws of Utah 2017, Chapter 324

38 **57-8a-102**, as last amended by Laws of Utah 2023, Chapter 503

39 **57-8a-104**, as last amended by Laws of Utah 2015, Chapters 34, 325 and 387

40 **57-8a-209**, as last amended by Laws of Utah 2023, Chapter 503

41 **57-8a-218**, as last amended by Laws of Utah 2023, Chapter 503

42 **57-8a-231**, as last amended by Laws of Utah 2023, Chapters 139, 199

43 **59-2-301.1**, as last amended by Laws of Utah 2017, Chapter 49

44 ENACTS:

45 **57-8-10.2**, Utah Code Annotated 1953

46 **57-8a-209.5**, Utah Code Annotated 1953



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

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

50 **16-6a-1602. Inspection of records by directors and members.**

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

53 (a) during regular business hours;

54 (b) at the nonprofit corporation's principal office; and

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

57 (2) In addition to the rights set forth in Subsection (1), a director or member is entitled
58 to inspect and copy any of the other records of the nonprofit corporation described in

- 59 ~~[Subsections]~~ ~~[16-6a-1601(2) through (5)]~~ Subsections 16-6a-1601(1) through (3):
- 60 (a) during regular business hours;
- 61 (b) at a reasonable location specified by the nonprofit corporation; and
- 62 (c) at least five business days before the date on which the member wishes to inspect
- 63 and copy the records, if the director or member:
- 64 (i) meets the requirements of Subsection (3); and
- 65 (ii) gives the nonprofit corporation written demand.
- 66 (3) A director or member may inspect and copy the records described in ~~[Subsection~~
- 67 ~~(2)]~~ Subsections (1) and (2) only if:
- 68 (a) the demand is made:
- 69 (i) in good faith; and
- 70 (ii) for a proper purpose;
- 71 (b) the director or member describes with reasonable particularity the purpose and the
- 72 records the director or member desires to inspect; and
- 73 (c) the records are directly connected with the described purpose.
- 74 (4) Notwithstanding Section 16-6a-102, for purposes of this section:
- 75 (a) "member" includes:
- 76 (i) a beneficial owner whose membership interest is held in a voting trust; and
- 77 (ii) any other beneficial owner of a membership interest who establishes beneficial
- 78 ownership; and
- 79 (b) "proper purpose" means a purpose reasonably related to the demanding member's or
- 80 director's interest as a member or director.
- 81 (5) The right of inspection granted by this section may not be abolished or limited by
- 82 the articles of incorporation or bylaws.
- 83 (6) This section does not affect:
- 84 (a) the right of a director or member to inspect records under Section 16-6a-710;
- 85 (b) the right of a member to inspect records to the same extent as any other litigant if
- 86 the member is in litigation with the nonprofit corporation; or
- 87 (c) the power of a court, independent of this chapter, to compel the production of
- 88 corporate records for examination.
- 89 (7) A director or member may not use any information obtained through the inspection

90 or copying of records permitted by Subsection (2) for any purposes other than those set forth in
91 a demand made under Subsection (3).

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

93 **57-8-3. Definitions.**

94 As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

123 (6) "Common expenses" means:

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

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

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

128 (d) expenses declared common expenses by this chapter, or by the declaration or the
129 bylaws.

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

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

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

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

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

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

152 condominium within the meaning of this chapter.

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

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

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

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

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

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

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

171 (20) "Governing documents":

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

173 (i) exercise powers; or

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

176 (b) includes:

177 (i) articles of incorporation;

178 (ii) bylaws;

179 (iii) a plat;

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

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

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

183 (a) is not related to the unit owner;
184 (b) shares no pecuniary interests with the unit owner; and
185 (c) purchases the unit in good faith and without the intent to defraud a current or future
186 lienholder.

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

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

190 and

191 (c) as provided in this chapter.

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

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

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

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

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

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

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

212 (i) web conferencing;
213 (ii) video conferencing; and

214 (iii) telephone conferencing.

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

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

218 (a) for the nonpayment of an assessment;

219 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
220 57-1-34; and

221 (c) as provided in this chapter.

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

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

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

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

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

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

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

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

244 (37) "Record," "recording," "recorded," and "recorder" have the meaning stated in

245 Chapter 3, Recording of Documents.

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

247 (a) a unit that:

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

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

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

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

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

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

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

264 (b) is not constructed.

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

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

270 (c) "Unit" includes a convertible space, in accordance with Subsection [57-8-13.4\(3\)](#).

271 (43) "Unit number" means the number, letter, or combination of numbers and letters
272 designating the unit in the declaration and in the record of survey map.

273 (44) "Unit owner" means the person or persons owning a unit in fee simple and an
274 undivided interest in the fee simple estate of the common areas and facilities in the percentage
275 specified and established in the declaration or, in the case of a leasehold condominium project,

276 the person or persons whose leasehold interest or interests in the condominium unit extend for
277 the entire balance of the unexpired term or terms.

278 (45) "Water wise landscaping" means:

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

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

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

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

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

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

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

288 (iii) encourage vegetative coverage.

289 (46) "Water wise plant material" means a plant material suited to water wise
290 landscaping.

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

292 **57-8-7.2. Scope -- Designation of certain areas.**

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

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

296 (i) lath;

297 (ii) furring;

298 (iii) wallboard;

299 (iv) plasterboard;

300 (v) plaster;

301 (vi) paneling;

302 (vii) tiles;

303 (viii) wallpaper;

304 (ix) paint;

305 (x) finished flooring; and

306 (xi) any other material constituting part of the finished surface of a wall, floor, or

307 ceiling.

308 (b) Any portion of a wall, floor, or ceiling not listed in Subsection (2)(a) is part of the
309 common areas and facilities.

310 (3) If a chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or any other
311 fixture lies partially within and partially outside the designated boundaries of a unit:

312 (a) any portion of an item described in this Subsection (3) serving only that unit is part
313 of the limited common areas and facilities; and

314 (b) any portion of an item described in this Subsection (3) is part of the common areas
315 and facilities if the item serves:

316 (i) more than one unit; or

317 (ii) any portion of the common areas and facilities.

318 (4) Subject to Subsection (3), the following within the boundaries of a unit are part of
319 the unit:

320 (a) spaces;

321 (b) interior partitions; and

322 (c) other fixtures and improvements.

323 (5) The following, if designated to serve a single unit but located outside the unit's
324 boundaries, are limited common areas and facilities allocated exclusively to a unit:

325 (a) a shutter;

326 (b) an awning;

327 (c) a window box;

328 (d) a doorstep;

329 (e) a stoop;

330 (f) a porch;

331 (g) a balcony;

332 (h) a patio;

333 (i) an exterior door;

334 (j) an exterior window; and

335 (k) any other fixture.

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

337 **57-8-8.1. Equal treatment by rules required -- Limits on rules.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

369 or

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

372 (A) size and facilities; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

399 (A) a for-sale sign; or

- 400 (B) a political sign;
- 401 (ii) regulate the content of a political sign; or
- 402 (iii) establish design criteria for a political sign.
- 403 (b) Notwithstanding Subsection (8)(a), a rule may reasonably regulate the size and
- 404 time, place, and manner of posting a for-sale sign or a political sign.
- 405 (9) ~~[An]~~ For any area for which one or more unit owners are responsible for landscape
- 406 maintenance, the association of unit owners:
- 407 (a) shall adopt rules supporting ~~[water-efficient landscaping, including allowance for]~~
- 408 water wise landscaping, including:
- 409 (i) low water use requirements on lawns during drought conditions;
- 410 (ii) design criterion for water wise landscaping; and
- 411 (iii) limiting permissible plant material to specific water wise plant material;
- 412 (b) may not prohibit low water use on lawns during drought conditions; and
- 413 ~~[(b)]~~ (c) may not prohibit or restrict the conversion of a grass park strip to
- 414 water-efficient landscaping.
- 415 (10) A rule may restrict a sex offender from accessing a protected area that is
- 416 maintained, operated, or owned by the association, subject to the exceptions described in
- 417 Subsection [77-27-21.7\(3\)](#).
- 418 (11) A rule shall be reasonable.
- 419 (12) A declaration, or an amendment to a declaration, may vary any of the
- 420 requirements of Subsections (1) through (5), except Subsection (1)(b)(ii).
- 421 (13) This section applies to an association of unit owners regardless of when the
- 422 association of unit owners is created.
- 423 Section 5. Section **57-8-10.2** is enacted to read:
- 424 **57-8-10.2. Short-term rental requirements.**
- 425 (1) As used in this section:
- 426 (a) "Master association" means an association of unit owners that controls two or more
- 427 smaller associations of unit owners.
- 428 (b) "Sub association" means an association of unit owners coordinated and managed by
- 429 a master association.
- 430 (2) Subject to Subsection (3), an association may not regulate:

431 (a) whether a person who operates a short-term rental uses a short-term rental
432 company; or

433 (b) which short-term rental company a person chooses to facilitate the person's
434 short-term rental.

435 (3) (a) An association may adopt criteria for a short-term rental company that operates
436 within the association.

437 (b) A person may not use a short-term rental company within the association, unless
438 the short-term rental company satisfies the criteria described in Subsection (3)(a).

439 (4) If short-term rentals exist in an association, an association shall provide unit owners
440 a list of two or more short-term rental companies from which a unit owner may choose to
441 manage their property.

442 (5) A unit owner is not required to use a short-term rental company described in
443 Subsection (4).

444 (6) The short-term rental companies described in Subsection (4) may not have a
445 financial relationship with:

446 (a) the association;

447 (b) the condominium project developer; or

448 (c) an entity owned by or affiliated with the association or the condominium project
449 developer.

450 (7) If a master association controls a sub association, only the sub association may
451 make determinations related to a short-term rental company as described in this section.

452 Section 6. Section **57-8-39** is amended to read:

453 **57-8-39. Limitation on requirements for amending governing documents --**
454 **Limitation on contracts.**

455 (1) (a) (i) To amend the governing documents, the governing documents may not
456 require:

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

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

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

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

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

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

467 (ii) unit boundaries; or

468 (iii) unit owners' voting rights.

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

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

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

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

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

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

481 (4)(c)(iii);

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

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

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

485 (iv) at least 36% of voting interests, excluding the voting interests of the management
486 committee members, vote in the meeting on the proposed amendment; and

487 (v) 67% of voting interests that vote in the meeting on the proposed amendment vote in
488 favor of the proposed amendment, or a lower threshold if provided in the governing
489 documents.

490 (b) (i) A proposed amendment to the governing documents is adopted if the total
491 voting interests represented by the presumptive votes described in Subsection (4)(a) and the
492 affirmative votes at the meeting satisfy the threshold in the governing documents required for

493 an amendment.

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

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

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

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

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

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

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

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

511 (A) a copy of the proposed amendment;

512 (B) the time, date, and location of the meeting where the vote on the proposed
513 amendment will occur;

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

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

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

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

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

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

528 [~~4~~] (5) Nothing in this section affects any other rights reserved by the declarant.

529 [~~5~~] (6) This section applies to an association of unit owners regardless of when the
530 association of unit owners is created.

531 Section 7. Section **57-8a-102** is amended to read:

532 **57-8a-102. Definitions.**

533 As used in this chapter:

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

535 (i) by the association;

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

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

538 (b) "Assessment" includes:

539 (i) a common expense; and

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

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

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

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

546 (A) real property taxes;

547 (B) insurance premiums;

548 (C) maintenance costs; or

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

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

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

554 (4) "Board of directors" or "board" means the entity, regardless of name, with primary

555 authority to manage the affairs of the association.

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

557 (a) owns;

558 (b) maintains;

559 (c) repairs; or

560 (d) administers.

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

563 (7) "Declarant":

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

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

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

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

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

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

573 (i) exercise powers; or

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

576 (b) "Governing documents" includes:

577 (i) articles of incorporation;

578 (ii) bylaws;

579 (iii) a plat;

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

581 (v) rules of the association.

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

583 (a) is not related to the owner of the residential lot;

584 (b) shares no pecuniary interests with the owner of the residential lot; and

585 (c) purchases the residential lot in good faith and without the intent to defraud a current

586 or future lienholder.

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

588 (a) for the nonpayment of an assessment;

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

590 and

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

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

593 (a) by a person or persons other than the owner; and

594 (b) for which the owner receives a consideration or benefit, including a fee, service,
595 gratuity, or emolument.

596 (15) "Limited common areas" means common areas described in the declaration and
597 allocated for the exclusive use of one or more lot owners.

598 (16) "Lot" means:

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

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

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

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

603 (b) (i) a unit in a condominium association if the condominium association is a part of
604 a development; or

605 (ii) a unit in a real estate cooperative if the real estate cooperative is part of a
606 development.

607 (17) (a) "Means of electronic communication" means an electronic system that allows
608 individuals to communicate orally in real time.

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

610 (i) web conferencing;

611 (ii) video conferencing; and

612 (iii) telephone conferencing.

613 (18) "Mixed-use project" means a project under this chapter that has both residential
614 and commercial lots in the project.

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

616 (a) for the nonpayment of an assessment;

617 (b) in the same manner as the sale of trust property under Sections 57-1-19 through
618 57-1-34; and

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

620 (20) "Period of administrative control" means the period during which the person who
621 filed the association's governing documents or the person's successor in interest retains
622 authority to:

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

624 (b) exercise power or authority assigned to the association under the association's
625 governing documents.

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

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

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

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

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

631 (a) a lot that:

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

633 (ii) is occupied by an individual while the lot owner is not occupying the lot as the lot
634 owner's primary residence; [~~or~~]

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

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

637 (24) "Residential lot" means a lot, the use of which is limited by law, covenant, or
638 otherwise to primarily residential or recreational purposes.

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

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

643 (ii) governs:

644 (A) the conduct of persons; or

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

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

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

648 (27) "Solar energy system" means:

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

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

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

652 **57-8a-104. Limitation on requirements for amending governing documents --**
653 **Limitation on contracts.**

654 (1) (a) (i) To amend the governing documents, the governing documents may not
655 require:

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

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

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

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

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

664 (i) lot boundaries; or

665 (ii) lot owner's voting rights.

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

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

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

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

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

677 (ii) the lot owner does not respond before the deadline described in Subsection

678 (4)(c)(iii);

- 679 (iii) the lot owner does not vote on the proposed amendment:
680 (A) in the meeting in which the vote occurs; or
681 (B) by written ballot in accordance with Section 16-6a-709;
682 (iv) at least 36% of voting interests, excluding the voting interests of the members of
683 the board of directors, vote in the meeting on the proposed amendment; and
684 (v) 67% of voting interests that vote in the meeting on the proposed amendment vote in
685 favor of the proposed amendment, or a lower threshold if provided in the governing
686 documents.
- 687 (b) (i) A proposed amendment to the governing documents is adopted if the total
688 voting interests represented by the presumptive votes described in Subsection (4)(a) and the
689 affirmative votes at the meeting satisfy the threshold in the governing documents required for
690 an amendment.
- 691 (ii) An amendment to the governing documents that is adopted as a result of one or
692 more presumptive votes described in Subsection (4)(a) may not take effect before 14 days after
693 the day on which the vote on the amendment occurs.
- 694 (iii) An association may overturn an amendment to the governing documents that is
695 adopted as a result of one or more presumptive votes described in Subsection (4)(a) if:
696 (A) the association convenes a meeting for the purpose of voting to overturn the
697 amendment; and
698 (B) at least 51% of voting interests vote to overturn the amendment.
- 699 (c) Before an association considers a lot owner's vote on a proposed amendment to the
700 governing documents as a favorable vote in accordance with Subsection (4)(a), the association
701 shall provide the lot owner:
702 (i) written notice, as described in this Subsection (4)(c), at least 60 days before the day
703 on which the association votes on the proposed amendment; and
704 (ii) if the lot owner does not respond to the written notice within 30 days after the day
705 on which the notice is sent, a second written notice that includes the information described in
706 Subsection (4)(c)(iii).
- 707 (iii) An association shall include the following in a notice under this Subsection (4)(c):
708 (A) a copy of the proposed amendment;
709 (B) the time, date, and location of the meeting where the vote on the proposed

710 amendment will occur;

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

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

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

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

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

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

725 [~~4~~] (5) Nothing in this section affects any other rights reserved by the person who
726 filed the association's original governing documents or a successor in interest.

727 [~~5~~] (6) This section applies to an association regardless of when the association is
728 created.

729 Section 9. Section **57-8a-209** is amended to read:

730 **57-8a-209. Rental restrictions.**

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

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

733 (ii) prohibit rentals in the association.

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

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

740 (a) a provision that requires the association to exempt from the rental restrictions the

741 following lot owner and the lot owner's lot:

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

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

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

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

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

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

748 the entity; or

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

750 or other estate planning entity was created for:

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

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

753 (b) a provision that allows a lot owner who has a rental in the association before the

754 time the rental restriction described in Subsection (1)(a) is recorded with the county recorder of

755 the county in which the association is located to continue renting until:

756 (i) the lot owner occupies the lot;

757 (ii) an officer, owner, member, trustee, beneficiary, director, or person holding a

758 similar position of ownership or control of an entity or trust that holds an ownership interest in

759 the lot, occupies the lot; or

760 (iii) the lot is transferred; and

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

762 (i) determine and track the number of rentals and lots in the association subject to the

763 provisions described in Subsections (2)(a) and (b); and

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

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

766 following occur:

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

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

769 (c) if the lot is owned by a limited liability company, corporation, partnership, or other

770 business entity, the sale or transfer of more than 75% of the business entity's share, stock,

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

772 (4) This section does not limit or affect residency age requirements for an association
773 that complies with the requirements of the Housing for Older Persons Act, 42 U.S.C. Sec.
774 3607.

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

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

- 780 (i) an association that contains a time period unit as defined in Section 57-8-3;
- 781 (ii) any other form of timeshare interest as defined in Section 57-19-2; or
- 782 (iii) subject to Subsection (6)(b), an association that is formed before May 12, 2009,
783 unless, on or after May 12, 2015, the association:

- 784 (A) adopts a rental restriction or prohibition; or
- 785 (B) amends an existing rental restriction or prohibition.

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

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

- 791 (a) the restriction or prohibition receives unanimous approval by all lot owners; and
- 792 (b) when the restriction or prohibition requires an amendment to the association's
793 recorded declaration of covenants, conditions, and restrictions, the association fulfills all other
794 requirements for amending the recorded declaration of covenants, conditions, and restrictions
795 described in the association's governing documents.

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

- 798 (a) obtain the association's approval of a prospective renter;
- 799 (b) give the association:
 - 800 (i) a copy of a rental application;
 - 801 (ii) a copy of a renter's or prospective renter's credit information or credit report;
 - 802 (iii) a copy of a renter's or prospective renter's background check; or

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

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

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

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

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

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

817 (c) An association that permits at least 35% of the lots in the association to be rental
818 lots may charge a lot owner who owns a rental lot an annual fee of up to \$200 to defray the
819 association's additional administrative expenses directly related to a lot that is a rental lot, as
820 detailed in an accounting provided to the lot owner.

821 (10) Notwithstanding Subsection (1)(a), an association may not restrict or prohibit the
822 rental of an internal accessory dwelling unit, as defined in Section [10-9a-530](#) or [17-27a-526](#),
823 constructed within a lot owner's residential lot, if the internal accessory dwelling unit complies
824 with all applicable:

825 (a) land use ordinances;

826 (b) building codes;

827 (c) health codes; and

828 (d) fire codes.

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

831 Section 10. Section **57-8a-209.5** is enacted to read:

832 **57-8a-209.5. Short-term rental requirements.**

833 **(1) As used in this section:**

834 (a) "Master association" means an association of lot owners that controls two or more
835 smaller associations of lot owners.

836 (b) "Sub association" means an association of lot owners coordinated and managed by
837 a master association.

838 (2) Subject to Subsection (3), an association may not regulate:

839 (a) whether a person who operates a short-term rental uses a short-term rental
840 company; or

841 (b) which short-term rental company a person chooses to facilitate the person's
842 short-term rental.

843 (3) (a) An association may adopt criteria for a short-term rental company that operates
844 within the association.

845 (b) A person may not use a short-term rental company within the association, unless
846 the short-term rental company satisfies the criteria described in Subsection (3)(a).

847 (4) If short-term rentals exist in an association, an association shall provide lot owners
848 a list of two or more short-term rental companies from which a lot owner may choose to
849 manage their property.

850 (5) A lot owner is not required to use a short-term rental company described in
851 Subsection (4).

852 (6) The short-term rental companies described in Subsection (4) may not have a
853 financial relationship with:

854 (a) the association;

855 (b) the residential lot developer; or

856 (c) an entity owned by or affiliated with the association or the residential lot project
857 developer.

858 (7) If a master association controls a sub association, only the sub association may
859 make determinations related to a short-term rental company as described in this section.

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

861 **57-8a-218. Equal treatment by rules required -- Limits on association rules and**
862 **design criteria.**

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

- 865 (b) Notwithstanding Subsection (1)(a), a rule may:
- 866 (i) vary according to the level and type of service that the association provides to lot
867 owners;
- 868 (ii) differ between residential and nonresidential uses; and
- 869 (iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
870 limit on the number of individuals who may use the common areas and facilities as guests of
871 the lot tenant or lot owner.
- 872 (2) (a) If a lot owner owns a rental lot and is in compliance with the association's
873 governing documents and any rule that the association adopts under Subsection (4), a rule may
874 not treat the lot owner differently because the lot owner owns a rental lot.
- 875 (b) Notwithstanding Subsection (2)(a), a rule may:
- 876 (i) limit or prohibit a rental lot owner from using the common areas for purposes other
877 than attending an association meeting or managing the rental lot;
- 878 (ii) if the rental lot owner retains the right to use the association's common areas, even
879 occasionally:
- 880 (A) charge a rental lot owner a fee to use the common areas; or
- 881 (B) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
882 limit on the number of individuals who may use the common areas and facilities as guests of
883 the lot tenant or lot owner; or
- 884 (iii) include a provision in the association's governing documents that:
- 885 (A) requires each tenant of a rental lot to abide by the terms of the governing
886 documents; and
- 887 (B) holds the tenant and the rental lot owner jointly and severally liable for a violation
888 of a provision of the governing documents.
- 889 (3) (a) A rule criterion may not abridge the rights of a lot owner to display a religious
890 or holiday sign, symbol, or decoration:
- 891 (i) inside a dwelling on a lot; or
- 892 (ii) outside a dwelling on:
- 893 (A) a lot;
- 894 (B) the exterior of the dwelling, unless the association has an ownership interest in, or
895 a maintenance, repair, or replacement obligation for, the exterior; or

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

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

900 (i) outside a dwelling on:

901 (A) a lot;

902 (B) the exterior of the dwelling; or

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

904 (ii) visible from outside the lot.

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

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

907 (ii) outside a dwelling on:

908 (A) a lot;

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

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

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

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

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

918 (5) (a) A rule may not prohibit a lot owner from displaying a for-sale sign:

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

920 (ii) outside a dwelling on:

921 (A) a lot;

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

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

926 (b) Notwithstanding Subsection (5)(a), a rule may reasonably regulate the time, place,

927 and manner of posting a for-sale sign.

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

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

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

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

935 (A) size and facilities; and

936 (B) fair use of the common areas.

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

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

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

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

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

946 (C) generates excessive noise or traffic;

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

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

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

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

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

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

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

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

- 958 (iii) deny use privileges to a lot owner who:
- 959 (A) is delinquent in paying assessments;
- 960 (B) abuses the common areas; or
- 961 (C) violates the governing documents.
- 962 (c) This Subsection (8) does not permit a rule that:
- 963 (i) alters the method of levying assessments; or
- 964 (ii) increases the amount of assessments as provided in the declaration.
- 965 (9) (a) Subject to Subsection (9)(b), a rule may not:
- 966 (i) prohibit the transfer of a lot; or
- 967 (ii) require the consent of the association or board to transfer a lot.
- 968 (b) Unless contrary to a declaration, a rule may require a minimum lease term.
- 969 (10) (a) A rule may not require a lot owner to dispose of personal property that was in
- 970 or on a lot before the adoption of the rule or design criteria if the personal property was in
- 971 compliance with all rules and other governing documents previously in force.
- 972 (b) The exemption in Subsection (10)(a):
- 973 (i) applies during the period of the lot owner's ownership of the lot; and
- 974 (ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
- 975 the rule described in Subsection (10)(a).
- 976 (11) A rule or action by the association or action by the board may not unreasonably
- 977 impede a declarant's ability to satisfy existing development financing for community
- 978 improvements and right to develop:
- 979 (a) the project; or
- 980 (b) other properties in the vicinity of the project.
- 981 (12) A rule or association or board action may not interfere with:
- 982 (a) the use or operation of an amenity that the association does not own or control; or
- 983 (b) the exercise of a right associated with an easement.
- 984 (13) A rule may not divest a lot owner of the right to proceed in accordance with a
- 985 completed application for design review, or to proceed in accordance with another approval
- 986 process, under the terms of the governing documents in existence at the time the completed
- 987 application was submitted by the owner for review.
- 988 (14) Unless otherwise provided in the declaration, an association may by rule:

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

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

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

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

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

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

997 (15) A rule may not prohibit a lot owner from installing a personal security camera
998 immediately adjacent to the entryway, window, or other outside entry point of the owner's
999 dwelling unit.

1000 (16) (a) ~~[An]~~ For any area for which one or more lot owners are responsible for
1001 landscape maintenance of any landscaping within the lot owner's lot or the common areas, the
1002 association

1003 shall adopt rules supporting ~~[water-efficient landscaping, including allowance for]~~
1004 water wise landscaping as defined in Section 57-8a-231 including:

1005 (i) low water use requirements on lawns during drought conditions;

1006 (ii) design criterion for water wise landscaping; and

1007 (iii) ~~[-]~~ limiting permissible plant material to specific water wise plant material.

1008 (b) A rule may not:

1009 (i) prohibit or restrict the conversion of a grass park strip to ~~[water-efficient~~
1010 ~~landscaping]~~ water wise landscaping as defined in Section 57-8a-231; or

1011 (ii) prohibit low water use on lawns during drought conditions.

1012 ~~[(c) An association subject to this chapter and formed before March 5, 2023, shall~~
1013 ~~adopt rules required under Subsection (16)(a) before June 30, 2023.]~~

1014 (17) (a) Except as provided in Subsection (17)(b), a rule may not prohibit the owner of
1015 a residential lot from constructing an internal accessory dwelling unit, as defined in Section
1016 10-9a-530 or 17-27a-526, within the owner's residential lot.

1017 (b) Subsection (17)(a) does not apply if the construction would violate:

1018 (i) a local land use ordinance;

1019 (ii) a building code;

1020 (iii) a health code; or

1021 (iv) a fire code.

1022 (18) A rule may restrict a sex offender from accessing a protected area that is
1023 maintained, operated, or owned by the association, subject to the exceptions described in

1024 Subsection 77-27-21.7(3).

1025 (19) A rule shall be reasonable.

1026 (20) A declaration, or an amendment to a declaration, may vary any of the
1027 requirements of Subsections (1), (2), (6), and (8) through (14), except Subsection (1)(b)(ii).

1028 (21) A rule may not be inconsistent with a provision of the association's declaration,
1029 bylaws, or articles of incorporation.

1030 (22) This section applies to an association regardless of when the association is
1031 created.

1032 Section 12. Section 57-8a-231 is amended to read:

1033 **57-8a-231. Water wise landscaping.**

1034 (1) As used in this section:

1035 (a) "Lawn or turf" means nonagricultural land planted in closely mowed, managed
1036 grasses.

1037 (b) "Mulch" means material such as rock, bark, wood chips, or other materials left
1038 loose and applied to the soil.

1039 (c) "Overhead spray irrigation" means above ground irrigation heads that spray water
1040 through a nozzle.

1041 (d) (i) "Vegetative coverage" means the ground level surface area covered by the
1042 exposed leaf area of a plant or group of plants at full maturity.

1043 (ii) "Vegetative coverage" does not mean the ground level surface area covered by the
1044 exposed leaf area of a tree or trees.

1045 (e) "Water wise landscaping" means any or all of the following:

1046 (i) installation of plant materials suited to the microclimate and soil conditions that
1047 can:

1048 (A) remain healthy with minimal irrigation once established; or

1049 (B) be maintained without the use of overhead spray irrigation;

1050 (ii) use of water for outdoor irrigation through proper and efficient irrigation design

1051 and water application; or

1052 (iii) the use of other landscape design features that:

1053 (A) minimize the need of the landscape for supplemental water from irrigation;

1054 (B) reduce the landscape area dedicated to lawn or turf; or

1055 (C) encourage vegetative coverage.

1056 (f) "Water wise plant material" means a plant material suited to water wise landscaping

1057 as defined in this section.

1058 (2) An association may not enact or enforce a governing document that prohibits, or
1059 has the effect of prohibiting, a lot owner of a detached dwelling from incorporating water wise
1060 landscaping on the [property] lot owner's [property] lot.

1061 (3) (a) Subject to Subsection (3)(b), Subsection (2) does not prohibit an association
1062 from requiring a property owner to:

1063 (i) comply with a site plan review or other review process before installing water wise
1064 landscaping;

1065 (ii) maintain plant material in a healthy condition; and

1066 (iii) follow specific water wise landscaping design requirements adopted by the
1067 association including a requirement that:

1068 (A) restricts or clarifies the use of mulches considered detrimental to the association's
1069 operations; and

1070 (B) restricts or prohibits the use of specific plant materials other than water wise plant
1071 materials.

1072 (b) An association may not require a [property] lot owner to:

1073 (i) install or keep in place lawn or turf in an area with a width less than eight feet; or

1074 (ii) have more than 50% vegetative coverage, that is not water wise landscaping, on the
1075 [property] lot owner's [property] lot.

1076 (4) (a) Subject to Subsection (4)(b), if an association does not adopt rules as required
1077 by Subsection 57-8a-218(16) and fails to remedy the noncompliance within the time specified
1078 in Subsection (4)(c), a lot owner may file an action in state court for:

1079 (i) injunctive relief requiring the association to comply with the requirements of
1080 Subsection 57-8a-218(16);

1081 (ii) \$500, or the lot owner's actual damages, whichever is greater;

- 1082 (iii) any other remedy provided by law; and
- 1083 (iv) reasonable costs and attorney fees.
- 1084 (b) No fewer than 90 days before the day on which a lot owner files a complaint under
- 1085 Subsection (4)(a), the lot owner shall deliver written notice described in Subsection (4)(c) to
- 1086 the association.
- 1087 (c) The lot owner shall include in a notice described in Subsection (4)(b):
- 1088 (i) the requirements in Subsection 57-8a-218(16) for adopting water wise landscaping
- 1089 rules with which the association has failed to comply;
- 1090 (ii) a demand that the association come into compliance with the requirements; and
- 1091 (iii) a date, no fewer than 90 days after the day on which the lot owner delivers the
- 1092 notice, by which the association must remedy the association's noncompliance.

1093 Section 13. Section **59-2-301.1** is amended to read:

1094 **59-2-301.1. Assessment of property subject to a conservation easement --**
1095 **Assessment of golf course or hunting club -- Assessment of common areas.**

1096 (1) In assessing the fair market value of property subject to a conservation easement
1097 under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall consider
1098 factors relating to the property and neighboring property that affect the fair market value of the
1099 property being assessed, including:

- 1100 (a) value that transfers to neighboring property because of the presence of a
- 1101 conservation easement on the property being assessed;
- 1102 (b) practical and legal restrictions on the development potential of the property because
- 1103 of the presence of the conservation easement;
- 1104 (c) the absence of neighboring property similarly subject to a conservation easement to
- 1105 provide a basis for comparing values between properties; and
- 1106 (d) any other factor that causes the fair market value of the property to be affected
- 1107 because of the presence of a conservation easement.

1108 (2) (a) In assessing the fair market value of a golf course or hunting club, a county
1109 assessor shall consider factors relating to the golf course or hunting club and neighboring
1110 property that affect the fair market value of the golf course or hunting club, including:

- 1111 (i) value that transfers to neighboring property because of the presence of the golf
- 1112 course or hunting club;

1113 (ii) practical and legal restrictions on the development potential of the golf course or
1114 hunting club; and

1115 (iii) the history of operation of the golf course or hunting club and the likelihood that
1116 the present use will continue into the future.

1117 (b) The valuation method a county assessor may use in determining the fair market
1118 value of a golf course or hunting club includes:

1119 (i) the cost approach;

1120 (ii) the income capitalization approach; and

1121 (iii) the sales comparison approach.

1122 (3) Except as otherwise provided by the plat or accompanying recorded document, a
1123 county assessor shall assess a common area and facility as defined in Section 57-8-3 or a
1124 common area as defined in Section 57-8a-102 consistent with the equal ownership interests
1125 described in Subsection 10-9a-606(4) or 17-27a-606(4) and may not assess the common area
1126 and facility or common area in a manner that reflects a different division of interest.

1127 [~~3~~] (4) In assessing the fair market value of property that is a common area or facility
1128 under Title 57, Chapter 8, Condominium Ownership Act, or a common area under Title 57,
1129 Chapter 8a, Community Association Act, a county assessor shall consider factors relating to the
1130 property and neighboring property that affect the fair market value of the property being
1131 assessed, including:

1132 (a) value that transfers to neighboring property because the property is a common area
1133 or facility;

1134 (b) practical and legal restrictions on the development potential of the property because
1135 the property is a common area or facility;

1136 (c) the absence of neighboring property similarly situated as a common area or facility
1137 to provide a basis for comparing values between properties; and

1138 (d) any other factor that causes the fair market value of the property to be affected
1139 because the property is a common area or facility.

1140 Section 14. **Effective date.**

1141 This bill takes effect on May 1, 2024.