1	HOMEOWNERS' ASSOCIATION REQUIREMENTS
2	2024 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Cheryl K. Acton
5	Senate Sponsor:
6 7	LONG TITLE
8	General Description:
9	This bill amends provisions relating to homeowners' associations.
10	Highlighted Provisions:
11	This bill:
12	defines terms;
13	 establishes limits on proxy voting in a homeowners' association;
14	 updates the duties of a homeowners' association of 20 or more units regarding the
15	availability of approved minutes and budget and financial statements;
16	 limits a homeowners' association's authority to install surveillance cameras;
17	 provides a remedy for a resident who objects to surveillance; and
18	makes technical and conforming changes.
19	Money Appropriated in this Bill:
20	None
21	Other Special Clauses:
22	None
23	Utah Code Sections Affected:
24	AMENDS:
25	57-8-3, as last amended by Laws of Utah 2023, Chapter 503
26	57-8-8.1, as last amended by Laws of Utah 2023, Chapter 503
27	57-8-17, as last amended by Laws of Utah 2022, Chapter 439



	57-8a-102, as last amended by Laws of Utah 2023, Chapter 503
	57-8a-218, as last amended by Laws of Utah 2023, Chapter 503
	57-8a-227, as last amended by Laws of Utah 2022, Chapter 439
E	ENACTS:
	57-8-61, Utah Code Annotated 1953
	57-8a-110, Utah Code Annotated 1953
E	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
d	leclaration, bylaws, or this chapter; and
	(b) an amount that an association of unit owners assesses to a unit owner under
S	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
p	property.
	(4) "Commercial condominium project" means a condominium project that has no
r	esidential units within the project.
	(5) "Common areas and facilities" unless otherwise provided in the declaration or
1	awful amendments to the declaration means:
	(a) the land included within the condominium project, whether leasehold or in fee
S	imple;
	(b) the foundations, columns, girders, beams, supports, main walls, roofs, halls,
c	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:

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context so requires.

- 59 (e) installations of central services such as power, light, gas, hot and cold water, 60 heating, refrigeration, air conditioning, and incinerating; 61 (f) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all 62 apparatus and installations existing for common use; 63 (g) such community and commercial facilities as may be provided for in the 64 declaration; and 65 (h) all other parts of the property necessary or convenient to its existence, maintenance, 66 and safety, or normally in common use. 67 (6) "Common expenses" means: 68 (a) all sums lawfully assessed against the unit owners; 69 (b) expenses of administration, maintenance, repair, or replacement of the common 70 areas and facilities; 71 (c) expenses agreed upon as common expenses by the association of unit owners; and 72 (d) expenses declared common expenses by this chapter, or by the declaration or the 73 bylaws. 74 (7) "Common profits," unless otherwise provided in the declaration or lawful 75 amendments to the declaration, means the balance of all income, rents, profits, and revenues 76 from the common areas and facilities remaining after the deduction of the common expenses. 77 (8) "Condominium" means the ownership of a single unit in a multiunit project 78 together with an undivided interest in common in the common areas and facilities of the 79 property. 80 (9) "Condominium plat" means a plat or plats of survey of land and units prepared in 81 accordance with Section 57-8-13. 82 (10) "Condominium project" means a real estate condominium project; a plan or 83 project whereby two or more units, whether contained in existing or proposed apartments, 84 commercial or industrial buildings or structures, or otherwise, are separately offered or
 - (11) "Condominium unit" means a unit together with the undivided interest in the common areas and facilities appertaining to that unit. Any reference in this chapter to a condominium unit includes both a physical unit together with its appurtenant undivided interest

proposed to be offered for sale. Condominium project also means the property when the

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

- (12) "Contractible condominium" means a condominium project from which one or more portions of the land within the project may be withdrawn in accordance with provisions of the declaration and of this chapter. If the withdrawal can occur only by the expiration or termination of one or more leases, then the condominium project is not a contractible condominium within the meaning of this chapter.
- (13) "Convertible land" means a building site which is a portion of the common areas and facilities, described by metes and bounds, within which additional units or limited common areas and facilities may be created in accordance with this chapter.
- (14) "Convertible space" means a portion of the structure within the condominium project, which portion may be converted into one or more units or common areas and facilities, including limited common areas and facilities in accordance with this chapter.
- (15) "Declarant" means all persons who execute the declaration or on whose behalf the declaration is executed. From the time of the recordation of any amendment to the declaration expanding an expandable condominium, all persons who execute that amendment or on whose behalf that amendment is executed shall also come within this definition. Any successors of the persons referred to in this subsection who come to stand in the same relation to the condominium project as their predecessors also come within this definition.
- (16) "Declaration" means the instrument by which the property is submitted to the provisions of this act, as it from time to time may be lawfully amended.
 - (17) "Electrical corporation" means the same as that term is defined in Section 54-2-1.
- (18) "Expandable condominium" means a condominium project to which additional land or an interest in it may be added in accordance with the declaration and this chapter.
 - (19) "Gas corporation" means the same as that term is defined in Section 54-2-1.
- (20) "Governing documents":
- (a) means a written instrument by which an association of unit owners may:
- 117 (i) exercise powers: or
- (ii) manage, maintain, or otherwise affect the property under the jurisdiction of the association of unit owners; and
- 120 (b) includes:

121	(i) articles of incorporation;
122	(ii) bylaws;
123	(iii) a plat;
124	(iv) a declaration of covenants, conditions, and restrictions; and
125	(v) rules of the association of unit owners.
126	(21) "Independent third party" means a person that:
127	(a) is not related to the unit owner;
128	(b) shares no pecuniary interests with the unit owner; and
129	(c) purchases the unit in good faith and without the intent to defraud a current or future
130	lienholder.
131	(22) "Judicial foreclosure" means a foreclosure of a unit:
132	(a) for the nonpayment of an assessment;
133	(b) in the manner provided by law for the foreclosure of a mortgage on real property;
134	and
135	(c) as provided in this chapter.
136	(23) "Leasehold condominium" means a condominium project in all or any portion of
137	which each unit owner owns an estate for years in his unit, or in the land upon which that unit
138	is situated, or both, with all those leasehold interests to expire naturally at the same time. A
139	condominium project including leased land, or an interest in the land, upon which no units are
140	situated or to be situated is not a leasehold condominium within the meaning of this chapter.
141	(24) "Limited common areas and facilities" means those common areas and facilities
142	designated in the declaration as reserved for use of a certain unit or units to the exclusion of the
143	other units.
144	(25) "Majority" or "majority of the unit owners," unless otherwise provided in the
145	declaration or lawful amendments to the declaration, means the owners of more than 50% in
146	the aggregate in interest of the undivided ownership of the common areas and facilities.
147	(26) "Management committee" means the committee as provided in the declaration
148	charged with and having the responsibility and authority to make and to enforce all of the
149	reasonable rules covering the operation and maintenance of the property.
150	(27) "Management committee meeting" means a gathering of a management
151	committee, whether in person or by means of electronic communication, at which the

- management committee can take binding action.
- 153 (28) (a) "Means of electronic communication" means an electronic system that allows 154 individuals to communicate orally in real time.
 - (b) "Means of electronic communication" includes:
- (i) web conferencing;
- 157 (ii) video conferencing; and
- (iii) telephone conferencing.
- 159 (29) "Mixed-use condominium project" means a condominium project that has both residential and commercial units in the condominium project.
 - (30) "Nonjudicial foreclosure" means the sale of a unit:
- (a) for the nonpayment of an assessment;
- (b) in the same manner as the sale of trust property under Sections 57-1-19 through
- 164 57-1-34; and

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- 165 (c) as provided in this chapter.
 - (31) "Par value" means a number of dollars or points assigned to each unit by the declaration. Substantially identical units shall be assigned the same par value, but units located at substantially different heights above the ground, or having substantially different views, or having substantially different amenities or other characteristics that might result in differences in market value, may be considered substantially identical within the meaning of this subsection. If par value is stated in terms of dollars, that statement may not be considered to reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or fair market transaction at a different figure may affect the par value of any unit, or any undivided interest in the common areas and facilities, voting rights in the unit owners' association, liability for common expenses, or right to common profits, assigned on the basis thereof.
 - (32) "Period of administrative control" means the period of control described in Subsection 57-8-16.5(1).
- 179 (33) "Person" means an individual, corporation, partnership, association, trustee, or 180 other legal entity.
- 181 (34) "Political sign" means any sign or document that advocates:
- (a) the election or defeat of a candidate for public office; or

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that describes the unit boundaries.

183	(b) the approval or defeat of a ballot proposition.
184	(35) "Property" means the land, whether leasehold or in fee simple, the building, if any,
185	all improvements and structures thereon, all easements, rights, and appurtenances belonging
186	thereto, and all articles of personal property intended for use in connection therewith.
187	(36) "Protected area" means the same as that term is defined in Section 77-27-21.7.
188	(37) "Proxy voting" means a form of voting whereby a unit owner delegates the unit
189	owner's voting power to another individual.
190	[(37)] (38) "Record," "recording," "recorded," and "recorder" have the meaning stated
191	in Chapter 3, Recording of Documents.
192	[(38)] (39) "Rentals" or "rental unit" means:
193	(a) a unit that:
194	(i) is not owned by an entity or trust; and
195	(ii) is occupied by an individual while the unit owner is not occupying the unit as the
196	unit owner's primary residence; or
197	(b) an occupied unit owned by an entity or trust, regardless of who occupies the unit.
198	[(39)] (40) "Size" means the number of cubic feet, or the number of square feet of
199	ground or floor space, within each unit as computed by reference to the record of survey map
200	and rounded off to a whole number. Certain spaces within the units including attic, basement,
201	or garage space may be omitted from the calculation or be partially discounted by the use of a
202	ratio, if the same basis of calculation is employed for all units in the condominium project and
203	if that basis is described in the declaration.
204	[(40)] (41) "Time period unit" means an annually recurring part or parts of a year
205	specified in the declaration as a period for which a unit is separately owned and includes a
206	timeshare estate as defined in Section 57-19-2.
207	[(41)] (42) "Unconstructed unit" means a unit that:
208	(a) is intended, as depicted in the condominium plat, to be fully or partially contained
209	in a building; and
210	(b) is not constructed.
211	[(42)] (43) (a) "Unit" means a separate part of the property intended for any type of
212	independent use, which is created by the recording of a declaration and a condominium plat

214	(b) "Unit" includes one or more rooms or spaces located in one or more floors or a
215	portion of a floor in a building.
216	(c) "Unit" includes a convertible space, in accordance with Subsection 57-8-13.4(3).
217	[(43)] (44) "Unit number" means the number, letter, or combination of numbers and
218	letters designating the unit in the declaration and in the record of survey map.
219	[(44)] (45) "Unit owner" means the person or persons owning a unit in fee simple and
220	an undivided interest in the fee simple estate of the common areas and facilities in the
221	percentage specified and established in the declaration or, in the case of a leasehold
222	condominium project, the person or persons whose leasehold interest or interests in the
223	condominium unit extend for the entire balance of the unexpired term or terms.
224	Section 2. Section 57-8-8.1 is amended to read:
225	57-8-8.1. Equal treatment by rules required Limits on rules.
226	(1) (a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated unit
227	owners similarly.
228	(b) Notwithstanding Subsection (1)(a), a rule may:
229	(i) vary according to the level and type of service that the association of unit owners
230	provides to unit owners;
231	(ii) differ between residential and nonresidential uses; or
232	(iii) for a unit that a unit owner leases for a term of less than 30 days, impose a
233	reasonable limit on the number of individuals that may use the common areas and facilities as
234	the rental unit tenant's guest or as the unit owner's guest.
235	(2) (a) If a unit owner owns a rental unit and is in compliance with the association of
236	unit owners' governing documents and any rule that the association of unit owners adopts under
237	[Subsection (4)] Subsection (5), a rule may not treat the unit owner differently because the unit
238	owner owns a rental unit.
239	(b) Notwithstanding Subsection (2)(a), a rule may:
240	(i) limit or prohibit a rental unit owner from using the common areas and facilities for
241	purposes other than attending an association meeting or managing the rental unit;
242	(ii) if the rental unit owner retains the right to use the association of unit owners'
243	common areas and facilities, even occasionally:
244	(A) charge a rental unit owner a fee to use the common areas and facilities; and

243	(b) for a unit that a unit owner leases for a term of less than 30 days, impose a
246	reasonable limit on the number of individuals that may use the common areas and facilities as
247	the rental unit tenant's guest or as the unit owner's guest; or
248	(iii) include a provision in the association of unit owners' governing documents that:
249	(A) requires each tenant of a rental unit to abide by the terms of the governing
250	documents; and
251	(B) holds the tenant and the rental unit owner jointly and severally liable for a violation
252	of a provision of the governing documents.
253	(3) (a) A rule may not interfere with the freedom of a unit owner to determine the
254	composition of the unit owner's household.
255	(b) Notwithstanding Subsection (3)(a), an association of unit owners may:
256	(i) require that all occupants of a dwelling be members of a single housekeeping unit;
257	or
258	(ii) limit the total number of occupants permitted in each residential dwelling on the
259	basis of the residential dwelling's:
260	(A) size and facilities; and
261	(B) fair use of the common areas and facilities.
262	(4) Unless contrary to a declaration, a rule may require a minimum lease term.
263	(5) Unless otherwise provided in the declaration, an association of unit owners may by
264	rule:
265	(a) regulate the use, maintenance, repair, replacement, and modification of common
266	areas and facilities;
267	(b) impose and receive any payment, fee, or charge for:
268	(i) the use, rental, or operation of the common areas, except limited common areas and
269	facilities; and
270	(ii) a service provided to a unit owner;
271	(c) impose a charge for a late payment of an assessment; or
272	(d) provide for the indemnification of the association of unit owners' officers and
273	management committee consistent with Title 16, Chapter 6a, Utah Revised Nonprofit
274	Corporation Act.
275	(6) (a) Except as provided in Subsection (6)(b), a rule may not prohibit a unit owner

276 from installing a personal security camera immediately adjacent to the entryway, window, or 277 other outside entry point of the owner's condominium unit. 278 (b) A rule may prohibit a unit owner from installing a personal security camera in a 279 common area not physically connected to the owner's unit. 280 (7) (a) A rule may not abridge the right of a unit owner to display a religious or holiday 281 sign, symbol, or decoration inside the owner's condominium unit. 282 (b) An association may adopt a reasonable time, place, and manner restriction with 283 respect to a display that is visible from the exterior of a unit. 284 (8) (a) A rule may not: (i) prohibit a unit owner from displaying in a window of the owner's condominium 285 286 unit: 287 (A) a for-sale sign; or 288 (B) a political sign; (ii) regulate the content of a political sign; or 289 290 (iii) establish design criteria for a political sign. 291 (b) Notwithstanding Subsection (8)(a), a rule may reasonably regulate the size and 292 time, place, and manner of posting a for-sale sign or a political sign. 293 (9) An association of unit owners: 294 (a) shall adopt rules supporting water-efficient landscaping, including allowance for 295 low water use on lawns during drought conditions; and 296 (b) may not prohibit or restrict the conversion of a grass park strip to water-efficient 297 landscaping. 298 (10) A rule may restrict a sex offender from accessing a protected area that is 299 maintained, operated, or owned by the association, subject to the exceptions described in 300 Subsection 77-27-21.7(3). 301 (11) (a) A rule may allow proxy voting only if the rule prohibits a unit owner from 302

- using proxy voting for any consecutive period that exceeds six months.
- 303 (b) A rule described in Subsection (11)(a) may establish a limitation that is less than 304 six months.
- 305 [(11)] (12) A rule shall be reasonable.
- 306 [(12)] (13) A declaration, or an amendment to a declaration, may vary any of the

307	requirements of Subsections (1) through (3), except Subsection (1)(b)(ff).
308	[(13)] (14) This section applies to an association of unit owners regardless of when the
309	association of unit owners is created.
310	Section 3. Section 57-8-17 is amended to read:
311	57-8-17. Records Availability for examination.
312	(1) (a) Subject to Subsection (1)(b) and regardless of whether the association of unit
313	owners is incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, ar
314	association of unit owners shall keep and make available to unit owners:
315	(i) each record identified in Subsections 16-6a-1601(1) through (5), in accordance with
316	Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and 16-6a-1610; [and]
317	(ii) a copy of the association's:
318	(A) governing documents;
319	[(B) most recent approved minutes;]
320	[(C) most recent budget and financial statement;]
321	[(D)] (B) most recent reserve analysis; and
322	[(E)] (C) certificate of insurance for each insurance policy the association of unit
323	owners holds[.]; and
324	(iii) the following documents that are in the association's possession on May 1, 2024,
325	or created after May 1, 2024, for at least two years after the day on which the document is
326	<u>created:</u>
327	(A) approved minutes; and
328	(B) budget and financial statements.
329	(b) An association of unit owners may redact the following information from any
330	document the association of unit owners produces for inspection or copying:
331	(i) a Social Security number;
332	(ii) a bank account number; or
333	(iii) any communication subject to attorney-client privilege.
334	(2) (a) In addition to the requirements described in Subsection (1), an association of
335	unit owners shall:
336	(i) make documents available to unit owners in accordance with the association of unit
337	owners' governing documents; and

338	(ii) (A) if the association of unit owners has an active website, make the documents
339	described in [Subsections (1)(a)(ii)(A) through (C)] Subsection (1)(a)(ii)(A) available to unit
340	owners, free of charge, through the website; [or]
341	(B) if the association of unit owners has fewer than 20 units and does not have an
342	active website, make physical copies of the documents described in [Subsections (1)(a)(ii)(A)
343	through (C) Subsection (1)(a)(ii)(A) available to unit owners during regular business hours at
344	the association of unit owners' address registered with the Department of Commerce under
345	Section 57-8-13.1[-]; or
346	(C) if the association of unit owners has more than 20 units and does not have an active
347	website, make the documents described in Subsections (1)(a)(ii)(A) and (1)(a)(iii) available to
348	unit owners online and free of charge through a third party website annually or, upon request,
349	send the documents described in Subsections (1)(a)(ii)(A) and (1)(a)(iii) to unit owners via
350	electronic mail.
351	(b) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
352	(c) If a provision of an association of unit owners' governing documents conflicts with
353	a provision of this section, the provision of this section governs.
354	(3) In a written request to inspect or copy documents:
355	(a) a unit owner shall include:
356	(i) the association of unit owners' name;
357	(ii) the unit owner's name;
358	(iii) the unit owner's property address;
359	(iv) the unit owner's email address;
360	(v) a description of the documents requested; and
361	(vi) any election or request described in Subsection (3)(b); and
362	(b) a unit owner may:
363	(i) elect whether to inspect or copy the documents;
364	(ii) if the unit owner elects to copy the documents, request hard copies or electronic
365	scans of the documents; or
366	(iii) subject to Subsection (4), request that:
367	(A) the association of unit owners make the copies or electronic scans of the requested
368	documents;

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unit owners shall pay:

369 (B) a recognized third party duplicating service make the copies or electronic scans of 370 the requested documents; 371 (C) the unit owner be allowed to bring any necessary imaging equipment to the place 372 of inspection and make copies or electronic scans of the documents while inspecting the 373 documents; or 374 (D) the association of unit owners email the requested documents to an email address 375 provided in the request. 376 (4) (a) An association of unit owners shall comply with a request described in 377 Subsection (3). 378 (b) If an association of unit owners produces the copies or electronic scans: 379 (i) the copies or electronic scans shall be legible and accurate; and 380 (ii) the unit owner shall pay the association of unit owners the reasonable cost of the 381 copies or electronic scans and for time spent meeting with the unit owner, which may not 382 exceed: 383 (A) the actual cost that the association of unit owners paid to a recognized third party 384 duplicating service to make the copies or electronic scans; or 385 (B) 10 cents per page and \$15 per hour for the employee's, manager's, or other agent's 386 time making the copies or electronic scans. 387 (c) If a unit owner requests a recognized third party duplicating service make the copies 388 or electronic scans: 389 (i) the association of unit owners shall arrange for the delivery and pick up of the 390 original documents; and 391 (ii) the unit owner shall pay the duplicating service directly. 392 (d) Subject to Subsection (9), if a unit owner requests to bring imaging equipment to 393 the inspection, the association of unit owners shall provide the necessary space, light, and 394 power for the imaging equipment. 395 (5) If, in response to a unit owner's request to inspect or copy documents, an 396 association of unit owners fails to comply with a provision of this section, the association of

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(a) the reasonable costs of inspecting and copying the requested documents:

(b) for items described in [Subsections (1)(a)(ii)(A) through (C)] Subsection

(1)(a)(ii)(A), \$25 to the unit owner who made the request for each day the request continues unfulfilled, beginning the sixth day after the day on which the unit owner made the request; and

- (c) reasonable attorney fees and costs incurred by the unit owner in obtaining the inspection and copies of the requested documents.
- (6) (a) In addition to any remedy in the association of unit owners' governing documents or as otherwise provided by law, a unit owner may file an action in court under this section if:
- (i) subject to Subsection (9), an association of unit owners fails to make documents available to the unit owner in accordance with this section, the association of unit owners' governing documents, or as otherwise provided by law; and
- (ii) the association of unit owners fails to timely comply with a notice described in Subsection (6)(d).
 - (b) In an action described in Subsection (6)(a):
 - (i) the unit owner may request:

- (A) injunctive relief requiring the association of unit owners to comply with the provisions of this section;
 - (B) \$500 or actual damage, whichever is greater; or
 - (C) any other relief provided by law; and
- (ii) the court shall award costs and reasonable attorney fees to the prevailing party, including any reasonable attorney fees incurred before the action was filed that relate to the request that is the subject of the action.
- (c) (i) In an action described in Subsection (6)(a), upon motion by the unit owner, notice to the association of unit owners, and a hearing in which the court finds a likelihood that the association of unit owners failed to comply with a provision of this section, the court shall order the association of unit owners to immediately comply with the provision.
- (ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days after the day on which the unit owner files the motion.
- (d) At least 10 days before the day on which a unit owner files an action described in Subsection (6)(a), the unit owner shall deliver a written notice to the association of unit owners that states:
 - (i) the unit owner's name, address, telephone number, and email address;

431	(ii) each requirement of this section with which the association of unit owners has
432	failed to comply;
433	(iii) a demand that the association of unit owners comply with each requirement with
434	which the association of unit owners has failed to comply; and
435	(iv) a date by which the association of unit owners shall remedy the association of unit
436	owners' noncompliance that is at least 10 days after the day on which the unit owner delivers
437	the notice to the association of unit owners.
438	(7) (a) The provisions of Section 16-6a-1604 do not apply to an association of unit
439	owners.
440	(b) The provisions of this section apply regardless of any conflicting provision in Title
441	16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
442	(8) A unit owner's agent may, on the unit owner's behalf, exercise or assert any right
443	that the unit owner has under this section.
444	(9) An association of unit owners is not liable for identifying or providing a document
445	in error, if the association of unit owners identified or provided the erroneous document in
446	good faith.
447	Section 4. Section 57-8-61 is enacted to read:
448	57-8-61. Unit surveillance.
449	(1) As used in this section:
450	(a) "Unit surveillance" means any use or installation of a camera that results in the
451	incidental or intentional surveillance of a unit.
452	(b) "Unit surveillance" does not include surveillance limited to only surveilling
453	common areas and facilities.
454	(2) An association may use or install, or cause to be used or installed, cameras for the
455	purpose of unit surveillance only if 67% of the association's unit owners approve the use or
456	installation.
457	(3) Notwithstanding Subsection (2), an association may not surveil a unit if a resident
458	of the unit provides written notice to the association that the resident objects to the unit
459	surveillance.
460	Section 5. Section 57-8a-102 is amended to read:
461	57-8a-102. Definitions.

462	As used in this chapter:
463	(1) (a) "Assessment" means a charge imposed or levied:
464	(i) by the association;
465	(ii) on or against a lot or a lot owner; and
466	(iii) pursuant to a governing document recorded with the county recorder.
467	(b) "Assessment" includes:
468	(i) a common expense; and
469	(ii) an amount assessed against a lot owner under Subsection 57-8a-405(7).
470	(2) (a) Except as provided in Subsection (2)(b), "association" means a corporation or
471	other legal entity, any member of which:
472	(i) is an owner of a residential lot located within the jurisdiction of the association, as
473	described in the governing documents; and
474	(ii) by virtue of membership or ownership of a residential lot is obligated to pay:
475	(A) real property taxes;
476	(B) insurance premiums;
477	(C) maintenance costs; or
478	(D) for improvement of real property not owned by the member.
479	(b) "Association" or "homeowner association" does not include an association created
480	under Chapter 8, Condominium Ownership Act.
481	(3) "Board meeting" means a gathering of a board, whether in person or by means of
482	electronic communication, at which the board can take binding action.
483	(4) "Board of directors" or "board" means the entity, regardless of name, with primary
484	authority to manage the affairs of the association.
485	(5) "Common areas" means property that the association:
486	(a) owns;
487	(b) maintains;
488	(c) repairs; or
489	(d) administers.
490	(6) "Common expense" means costs incurred by the association to exercise any of the
491	powers provided for in the association's governing documents.
492	(7) "Declarant":

493	(a) means the person who executes a declaration and submits it for recording in the
494	office of the recorder of the county in which the property described in the declaration is
495	located; and
496	(b) includes the person's successor and assign.
497	(8) "Director" means a member of the board of directors.
498	(9) "Electrical corporation" means the same as that term is defined in Section 54-2-1.
499	(10) "Gas corporation" means the same as that term is defined in Section 54-2-1.
500	(11) (a) "Governing documents" means a written instrument by which the association
501	may:
502	(i) exercise powers; or
503	(ii) manage, maintain, or otherwise affect the property under the jurisdiction of the
504	association.
505	(b) "Governing documents" includes:
506	(i) articles of incorporation;
507	(ii) bylaws;
508	(iii) a plat;
509	(iv) a declaration of covenants, conditions, and restrictions; and
510	(v) rules of the association.
511	(12) "Independent third party" means a person that:
512	(a) is not related to the owner of the residential lot;
513	(b) shares no pecuniary interests with the owner of the residential lot; and
514	(c) purchases the residential lot in good faith and without the intent to defraud a current
515	or future lienholder.
516	(13) "Judicial foreclosure" means a foreclosure of a lot:
517	(a) for the nonpayment of an assessment;
518	(b) in the manner provided by law for the foreclosure of a mortgage on real property;
519	and
520	(c) as provided in Part 3, Collection of Assessments.
521	(14) "Lease" or "leasing" means regular, exclusive occupancy of a lot:
522	(a) by a person or persons other than the owner; and
523	(b) for which the owner receives a consideration or benefit, including a fee, service,

524	gratuity, or emolument.
525	(15) "Limited common areas" means common areas described in the declaration and
526	allocated for the exclusive use of one or more lot owners.
527	(16) "Lot" means:
528	(a) a lot, parcel, plot, or other division of land:
529	(i) designated for separate ownership or occupancy; and
530	(ii) (A) shown on a recorded subdivision plat; or
531	(B) the boundaries of which are described in a recorded governing document; or
532	(b) (i) a unit in a condominium association if the condominium association is a part of
533	a development; or
534	(ii) a unit in a real estate cooperative if the real estate cooperative is part of a
535	development.
536	(17) (a) "Means of electronic communication" means an electronic system that allows
537	individuals to communicate orally in real time.
538	(b) "Means of electronic communication" includes:
539	(i) web conferencing;
540	(ii) video conferencing; and
541	(iii) telephone conferencing.
542	(18) "Mixed-use project" means a project under this chapter that has both residential
543	and commercial lots in the project.
544	(19) "Nonjudicial foreclosure" means the sale of a lot:
545	(a) for the nonpayment of an assessment;
546	(b) in the same manner as the sale of trust property under Sections 57-1-19 through
547	57-1-34; and
548	(c) as provided in Part 3, Collection of Assessments.
549	(20) "Period of administrative control" means the period during which the person who
550	filed the association's governing documents or the person's successor in interest retains
551	authority to:
552	(a) appoint or remove members of the association's board of directors; or
553	(b) exercise power or authority assigned to the association under the association's
554	governing documents.

555	(21) "Political sign" means any sign or document that advocates:
556	(a) the election or defeat of a candidate for public office; or
557	(b) the approval or defeat of a ballot proposition.
558	(22) "Protected area" means the same as that term is defined in Section 77-27-21.7.
559	(23) "Proxy voting" means a party has authorized a third-party to vote on the party's
560	behalf in any association-related matter.
561	[(23)] (24) "Rentals" or "rental lot" means:
562	(a) a lot that:
563	(i) is not owned by an entity or trust; and
564	(ii) is occupied by an individual while the lot owner is not occupying the lot as the lot
565	owner's primary residence; or
566	(b) an occupied lot owned by an entity or trust, regardless of who occupies the lot.
567	[(24)] (25) "Residential lot" means a lot, the use of which is limited by law, covenant,
568	or otherwise to primarily residential or recreational purposes.
569	[(25)] (26) (a) "Rule" means a policy, guideline, restriction, procedure, or regulation of
570	an association that:
571	(i) is not set forth in a contract, easement, article of incorporation, bylaw, or
572	declaration; and
573	(ii) governs:
574	(A) the conduct of persons; or
575	(B) the use, quality, type, design, or appearance of real property or personal property.
576	(b) "Rule" does not include the internal business operating procedures of a board.
577	$[\frac{(26)}{2}]$ "Sex offender" means the same as that term is defined in Section
578	77-27-21.7.
579	[(27)] <u>(28)</u> "Solar energy system" means:
580	(a) a system that is used to produce electric energy from sunlight; and
581	(b) the components of the system described in [Subsection (27)(a)] Subsection (28)(a).
582	Section 6. Section 57-8a-110 is enacted to read:
583	57-8a-110. Lot surveillance.
584	(1) As used in this section:
585	(a) "Lot surveillance" means any use or installation of cameras that results in the

380	incidental of intentional surveinance of a lot.
587	(b) "Lot surveillance" does not include surveillance limited to only surveilling common
588	areas.
589	(2) An association may use or install, or cause to be used or installed, cameras for the
590	purpose of lot surveillance only if 67% of the association's lot owners approve the use or
591	installation.
592	(3) Notwithstanding Subsection (2), an association may not surveil a lot if a resident of
593	the lot provides written notice to the association that the resident objects to the lot surveillance.
594	Section 7. Section 57-8a-218 is amended to read:
595	57-8a-218. Equal treatment by rules required Limits on association rules and
596	design criteria.
597	(1) (a) Except as provided in Subsection (1)(b), a rule shall treat similarly situated lot
598	owners similarly.
599	(b) Notwithstanding Subsection (1)(a), a rule may:
600	(i) vary according to the level and type of service that the association provides to lot
601	owners;
602	(ii) differ between residential and nonresidential uses; and
603	(iii) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
604	limit on the number of individuals who may use the common areas and facilities as guests of
605	the lot tenant or lot owner.
606	(2) (a) If a lot owner owns a rental lot and is in compliance with the association's
607	governing documents and any rule that the association adopts under Subsection (4), a rule may
608	not treat the lot owner differently because the lot owner owns a rental lot.
609	(b) Notwithstanding Subsection (2)(a), a rule may:
610	(i) limit or prohibit a rental lot owner from using the common areas for purposes other
611	than attending an association meeting or managing the rental lot;
612	(ii) if the rental lot owner retains the right to use the association's common areas, even
613	occasionally:
614	(A) charge a rental lot owner a fee to use the common areas; or
615	(B) for a lot that an owner leases for a term of less than 30 days, impose a reasonable
616	limit on the number of individuals who may use the common areas and facilities as guests of

01/	the lot tenant or lot owner, or
618	(iii) include a provision in the association's governing documents that:
619	(A) requires each tenant of a rental lot to abide by the terms of the governing
620	documents; and
621	(B) holds the tenant and the rental lot owner jointly and severally liable for a violation
622	of a provision of the governing documents.
623	(3) (a) A rule criterion may not abridge the rights of a lot owner to display a religious
624	or holiday sign, symbol, or decoration:
625	(i) inside a dwelling on a lot; or
626	(ii) outside a dwelling on:
627	(A) a lot;
628	(B) the exterior of the dwelling, unless the association has an ownership interest in, or
629	a maintenance, repair, or replacement obligation for, the exterior; or
630	(C) the front yard of the dwelling, unless the association has an ownership interest in,
631	or a maintenance, repair, or replacement obligation for, the yard.
632	(b) Notwithstanding Subsection (3)(a), the association may adopt a reasonable time,
633	place, and manner restriction with respect to a display that is:
634	(i) outside a dwelling on:
635	(A) a lot;
636	(B) the exterior of the dwelling; or
637	(C) the front yard of the dwelling; and
638	(ii) visible from outside the lot.
639	(4) (a) A rule may not prohibit a lot owner from displaying a political sign:
640	(i) inside a dwelling on a lot; or
641	(ii) outside a dwelling on:
642	(A) a lot;
643	(B) the exterior of the dwelling, regardless of whether the association has an ownership
644	interest in the exterior; or
645	(C) the front yard of the dwelling, regardless of whether the association has an
646	ownership interest in the yard.

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

648	(c) Notwithstanding Subsection (4)(a), a rule may reasonably regulate the time, place,
649	and manner of posting a political sign.
650	(d) An association design provision may not establish design criteria for a political
651	sign.
652	(5) (a) A rule may not prohibit a lot owner from displaying a for-sale sign:
653	(i) inside a dwelling on a lot; or
654	(ii) outside a dwelling on:
655	(A) a lot;
656	(B) the exterior of the dwelling, regardless of whether the association has an ownership
657	interest in the exterior; or
658	(C) the front yard of the dwelling, regardless of whether the association has an
659	ownership interest in the yard.
660	(b) Notwithstanding Subsection (5)(a), a rule may reasonably regulate the time, place,
661	and manner of posting a for-sale sign.
662	(6) (a) A rule may not interfere with the freedom of a lot owner to determine the
663	composition of the lot owner's household.
664	(b) Notwithstanding Subsection (6)(a), an association may:
665	(i) require that all occupants of a dwelling be members of a single housekeeping unit;
666	or
667	(ii) limit the total number of occupants permitted in each residential dwelling on the
668	basis of the residential dwelling's:
669	(A) size and facilities; and
670	(B) fair use of the common areas.
671	(7) (a) A rule may not interfere with a reasonable activity of a lot owner within the
672	confines of a dwelling or lot, including backyard landscaping or amenities, to the extent that
673	the activity is in compliance with local laws and ordinances, including nuisance laws and
674	ordinances.
675	(b) Notwithstanding Subsection (7)(a), a rule may prohibit an activity within the
676	confines of a dwelling or lot, including backyard landscaping or amenities, if the activity:
677	(i) is not normally associated with a project restricted to residential use; or
678	(ii) (A) creates monetary costs for the association or other lot owners;

679	(B) creates a danger to the health or safety of occupants of other lots;
680	(C) generates excessive noise or traffic;
681	(D) creates unsightly conditions visible from outside the dwelling;
682	(E) creates an unreasonable source of annoyance to persons outside the lot; or
683	(F) if there are attached dwellings, creates the potential for smoke to enter another lot
684	owner's dwelling, the common areas, or limited common areas.
685	(c) If permitted by law, an association may adopt rules described in Subsection (7)(b)
686	that affect the use of or behavior inside the dwelling.
687	(8) (a) A rule may not, to the detriment of a lot owner and over the lot owner's written
688	objection to the board, alter the allocation of financial burdens among the various lots.
689	(b) Notwithstanding Subsection (8)(a), an association may:
690	(i) change the common areas available to a lot owner;
691	(ii) adopt generally applicable rules for the use of common areas; or
692	(iii) deny use privileges to a lot owner who:
693	(A) is delinquent in paying assessments;
694	(B) abuses the common areas; or
695	(C) violates the governing documents.
696	(c) This Subsection (8) does not permit a rule that:
697	(i) alters the method of levying assessments; or
698	(ii) increases the amount of assessments as provided in the declaration.
699	(9) (a) Subject to Subsection (9)(b), a rule may not:
700	(i) prohibit the transfer of a lot; or
701	(ii) require the consent of the association or board to transfer a lot.
702	(b) Unless contrary to a declaration, a rule may require a minimum lease term.
703	(10) (a) A rule may not require a lot owner to dispose of personal property that was in
704	or on a lot before the adoption of the rule or design criteria if the personal property was in
705	compliance with all rules and other governing documents previously in force.
706	(b) The exemption in Subsection (10)(a):
707	(i) applies during the period of the lot owner's ownership of the lot; and
708	(ii) does not apply to a subsequent lot owner who takes title to the lot after adoption of
709	the rule described in Subsection (10)(a)

710	(11) A rule or action by the association or action by the board may not unreasonably
711	impede a declarant's ability to satisfy existing development financing for community
712	improvements and right to develop:
713	(a) the project; or
714	(b) other properties in the vicinity of the project.
715	(12) A rule or association or board action may not interfere with:
716	(a) the use or operation of an amenity that the association does not own or control; or
717	(b) the exercise of a right associated with an easement.
718	(13) A rule may not divest a lot owner of the right to proceed in accordance with a
719	completed application for design review, or to proceed in accordance with another approval
720	process, under the terms of the governing documents in existence at the time the completed
721	application was submitted by the owner for review.
722	(14) Unless otherwise provided in the declaration, an association may by rule:
723	(a) regulate the use, maintenance, repair, replacement, and modification of common
724	areas;
725	(b) impose and receive any payment, fee, or charge for:
726	(i) the use, rental, or operation of the common areas, except limited common areas; and
727	(ii) a service provided to a lot owner;
728	(c) impose a charge for a late payment of an assessment; or
729	(d) provide for the indemnification of the association's officers and board consistent
730	with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
731	(15) A rule may not prohibit a lot owner from installing a personal security camera
732	immediately adjacent to the entryway, window, or other outside entry point of the owner's
733	dwelling unit.
734	(16) (a) An association
735	shall adopt rules supporting water-efficient landscaping, including allowance for low
736	water use on lawns during drought conditions.
737	(b) A rule may not:
738	(i) prohibit or restrict the conversion of a grass park strip to water-efficient
739	landscaping; or
740	(ii) prohibit low water use on lawns during drought conditions.

- 741 (c) An association subject to this chapter and formed before March 5, 2023, shall adopt 742 rules required under Subsection (16)(a) before June 30, 2023. 743 (17) (a) Except as provided in Subsection (17)(b), a rule may not prohibit the owner of 744 a residential lot from constructing an internal accessory dwelling unit, as defined in Section 745 10-9a-530, within the owner's residential lot. 746 (b) Subsection (17)(a) does not apply if the construction would violate: 747 (i) a local land use ordinance; 748 (ii) a building code: 749 (iii) a health code; or 750 (iv) a fire code. 751 (18) A rule may restrict a sex offender from accessing a protected area that is 752 maintained, operated, or owned by the association, subject to the exceptions described in 753 Subsection 77-27-21.7(3). 754 (19) (a) A rule may allow proxy voting only if the rule prohibits a lot owner from using 755 proxy voting for any consecutive period that exceeds six months. 756 (b) A rule described in Subsection (19)(a) may establish a limitation that is less than 757 six months. [(19)] (20) A rule shall be reasonable. 758 759 [(20)] (21) A declaration, or an amendment to a declaration, may vary any of the 760 requirements of Subsections (1), (2), (6), and (8) through (14), except Subsection (1)(b)(ii). 761 $\left[\frac{(21)}{(22)}\right]$ (22) A rule may not be inconsistent with a provision of the association's 762 declaration, bylaws, or articles of incorporation. 763 [(22)] (23) This section applies to an association regardless of when the association is 764 created. 765 Section 8. Section 57-8a-227 is amended to read: 766 57-8a-227. Records -- Availability for examination. 767 (1) (a) Subject to Subsection (1)(b) and regardless of whether the association is 768 incorporated under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, an
 - (i) each record identified in Subsections 16-6a-1601(1) through (5), in accordance with Sections 16-6a-1601, 16-6a-1602, 16-6a-1603, 16-6a-1605, 16-6a-1606, and 16-6a-1610; [and]

association shall keep and make available to lot owners:

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772	(ii) a copy of the association's:
773	(A) governing documents;
774	[(B) most recent approved minutes;]
775	[(C) most recent budget and financial statement;]
776	[(D)] (B) most recent reserve analysis; and
777	[(E)] (C) certificate of insurance for each insurance policy the association holds[-]; and
778	(iii) the following documents that are in the association's possession on May 1, 2024,
779	or created on or after May 1, 2024, for at least two years after the day on which the document is
780	<u>created:</u>
781	(A) approved minutes; and
782	(B) budget and financial statement.
783	(b) An association may redact the following information from any document the
784	association produces for inspection or copying:
785	(i) a Social Security number;
786	(ii) a bank account number; or
787	(iii) any communication subject to attorney-client privilege.
788	(2) (a) In addition to the requirements described in Subsection (1), an association shall:
789	(i) make documents available to lot owners in accordance with the association's
790	governing documents; and
791	(ii) (A) if the association contains 20 or more lots, make available online the
792	documents described in Subsections (1)(a)(ii)(A) and (1)(a)(iii) to lot owners, free of charge, or
793	send the documents described in Subsections (1)(a)(ii)(A) and (1)(a)(iii) to lot owners via
794	electronic mail on an annual basis;
795	[(A)] (B) regardless of the number of lots in the association, if the association has an
796	active website, make the documents described in Subsections (1)(a)(ii)(A) and (1)(a)(iii)
797	available to lot owners, free of charge, through the website;
798	(C) regardless of the number of lots in the association, if the association has an active
799	website, make the documents described in Subsections (1)(a)(ii)(A) [through (C)] and
800	(1)(a)(iii) available to lot owners, free of charge, through the website; or
801	[(B)] (D) if the association does not have an active website and contains fewer than 20
802	lots, make physical copies of the documents described in Subsections (1)(a)(ii)(A) [through

803	$\frac{(C)}{(C)}$ and $\frac{(1)(a)(iii)}{(iii)}$ available to lot owners during regular business hours at the association's
804	address registered with the Department of Commerce under Section 57-8a-105.
805	(b) For purposes of Subsection (2)(a)(ii)(A), making documents available online may
806	include making documents available through the association's website.
807	(c) Subsection (2)(a)(ii) does not apply to an association as defined in Section 57-19-2.
808	[(c)] (d) If a provision of an association's governing documents conflicts with a
809	provision of this section, the provision of this section governs.
810	(3) In a written request to inspect or copy documents:
811	(a) a lot owner shall include:
812	(i) the association's name;
813	(ii) the lot owner's name;
814	(iii) the lot owner's property address;
815	(iv) the lot owner's email address;
816	(v) a description of the documents requested; and
817	(vi) any election or request described in Subsection (3)(b); and
818	(b) a lot owner may:
819	(i) elect whether to inspect or copy the documents;
820	(ii) if the lot owner elects to copy the documents, request hard copies or electronic
821	scans of the documents; or
822	(iii) subject to Subsection (4), request that:
823	(A) the association make the copies or electronic scans of the requested documents;
824	(B) a recognized third party duplicating service make the copies or electronic scans of
825	the requested documents;
826	(C) the lot owner be allowed to bring any necessary imaging equipment to the place of
827	inspection and make copies or electronic scans of the documents while inspecting the
828	documents; or
829	(D) the association email the requested documents to an email address provided in the
830	request.
831	(4) (a) An association shall comply with a request described in Subsection (3).
832	(b) If an association produces the copies or electronic scans:
833	(i) the copies or electronic scans shall be legible and accurate; and

834 (ii) the lot owner shall pay the association the reasonable cost of the copies or 835 electronic scans and for time spent meeting with the lot owner, which may not exceed: 836 (A) the actual cost that the association paid to a recognized third party duplicating 837 service to make the copies or electronic scans; or 838 (B) 10 cents per page and \$15 per hour for the employee's, manager's, or other agent's 839 time. 840 (c) If a lot owner requests a recognized third party duplicating service make the copies 841 or electronic scans: 842 (i) the association shall arrange for the delivery and pick up of the original documents; 843 and 844 (ii) the lot owner shall pay the duplicating service directly. 845 (d) If a lot owner requests to bring imaging equipment to the inspection, the association 846 shall provide the necessary space, light, and power for the imaging equipment. 847 (5) Subject to Subsection (9), if, in response to a lot owner's request to inspect or copy 848 documents, an association fails to comply with a provision of this section, the association shall 849 pay: 850 (a) the reasonable costs of inspecting and copying the requested documents; 851 (b) for items described in Subsections (1)(a)(ii)(A) [through (C)] and (1)(a)(iii), \$25 to 852 the lot owner who made the request for each day the request continues unfulfilled, beginning 853 the sixth day after the day on which the lot owner made the request; and 854 (c) reasonable attorney fees and costs incurred by the lot owner in obtaining the 855 inspection and copies of the requested documents. 856 (6) (a) In addition to any remedy in the association's governing documents or otherwise 857 provided by law, a lot owner may file an action in court under this section if: 858 (i) subject to Subsection (9), an association fails to make documents available to the lot 859 owner in accordance with this section, the association's governing documents, or as otherwise 860 provided by law; and 861 (ii) the association fails to timely comply with a notice described in Subsection (6)(d). 862 (b) In an action described in Subsection (6)(a):

- 28 -

(A) injunctive relief requiring the association to comply with the provisions of this

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(i) the lot owner may request:

865	section;
866	(B) \$500 or actual damage, whichever is greater; or
867	(C) any other relief provided by law; and
868	(ii) the court shall award costs and reasonable attorney fees to the prevailing party,
869	including any reasonable attorney fees incurred before the action was filed that relate to the
870	request that is the subject of the action.
871	(c) (i) In an action described in Subsection (6)(a), upon motion by the lot owner, notice
872	to the association, and a hearing in which the court finds a likelihood that the association failed
873	to comply with a provision of this section, the court shall order the association to immediately
874	comply with the provision.
875	(ii) The court shall hold a hearing described in Subsection (6)(c)(i) within 30 days after
876	the day on which the lot owner files the motion.
877	(d) At least 10 days before the day on which a lot owner files an action described in
878	Subsection (6)(a), the lot owner shall deliver a written notice to the association that states:
879	(i) the lot owner's name, address, telephone number, and email address;
880	(ii) each requirement of this section with which the association has failed to comply;
881	(iii) a demand that the association comply with each requirement with which the
882	association has failed to comply; and
883	(iv) a date by which the association shall remedy the association's noncompliance that
884	is at least 10 days after the day on which the lot owner delivers the notice to the association.
885	(7) (a) The provisions of Section 16-6a-1604 do not apply to an association.
886	(b) The provisions of this section apply regardless of any conflicting provision in Title
887	16, Chapter 6a, Utah Revised Nonprofit Corporation Act.
888	(8) A lot owner's agent may, on the lot owner's behalf, exercise or assert any right that
889	the lot owner has under this section.
890	(9) An association is not liable for identifying or providing a document in error, if the

association identified or provided the erroneous document in good faith.

Section 9. Effective date.

This bill takes effect on May 1, 2024.

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