



Office of the Homeowners'  
Association Ombudsman  
UTAH DEPARTMENT OF COMMERCE

# *Assessments in Utah Condominiums*

What Every Owner, Board Member,  
and Manager Needs to Know

# Assessments Are the Financial Foundation of Every Condominium Community

Under the **Utah Condominium Ownership Act** (§57-8-3), an assessment is any charge the association imposes on a unit owner.

**Shared Responsibility:** Every unit owner shares in these costs based on their percentage of undivided interest in the common areas and facilities (§57-8-24).

## Shared Costs = Assessments



Assessments typically cover:

- Common expenses (hallways, roofs, parking, pools)
- Special charges allowed by the declaration.

# The Act Recognizes Several Types of Assessments



## Regular (Common Expense)

Recurring charges for ongoing maintenance, operations, and management.



## Special Assessment

One-time charge for a specific project or unexpected expense not covered by the regular budget.



## Insurance Deductible Assessment

Charged to a unit owner for their share of the association's property insurance deductible after a covered loss.



## Fine

Charged for a violation of governing documents (subject to separate rules and limits).

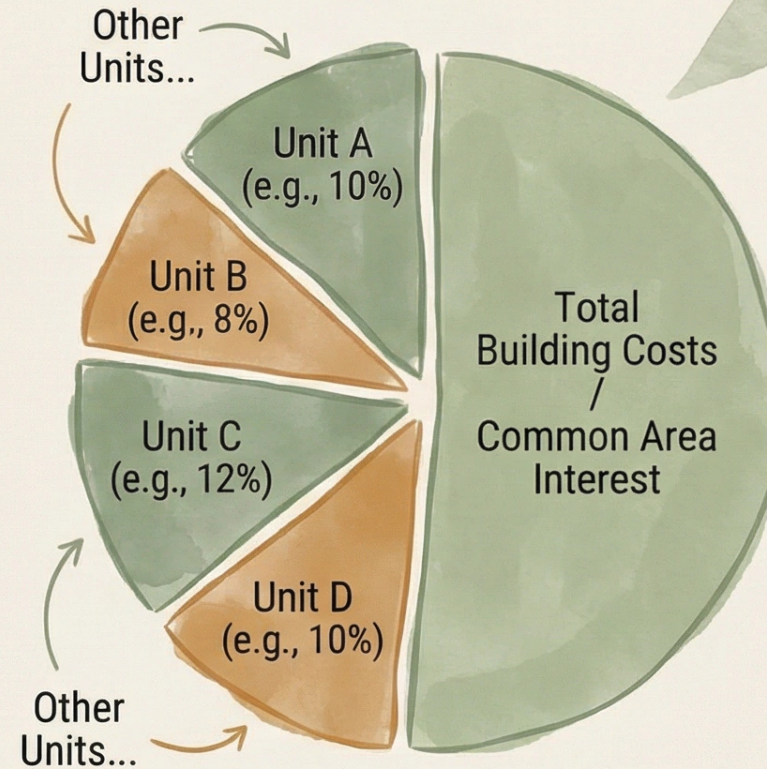


## Utility/Reinstatement Cost

Charged when the association pays a delinquent utility bill or winterizes a unit on behalf of an owner.

# How Assessments Are Calculated

- Assessed in proportion to percentage of undivided interest in common areas.
- Percentage is set in the declaration.
- Substantially identical units have the same par value.
- No owner can avoid their share by abandoning the unit.



Key Point: Check your declaration to find your specific percentage.

# A Sound Budget & Reserve Fund

## Reserve Analysis (§57-8-7.5)

- Conducted every 6 years, reviewed every 3 years
- Identifies components & estimates costs
- Annual summary provided to owners

## Reserve Fund Line Item

- Prudent amount based on analysis
- Owners can veto by 51% vote within 45 days
- Kept in a separate account



# Owners Must Pay Assessments on Time – No Exceptions

## When are assessments due?

Set by declaration/bylaws. Installments create a lien for the full amount.

## Can an owner refuse to pay?

No. Owners cannot opt out by waiving use of common areas or abandoning their unit.

## Buying or selling a unit?

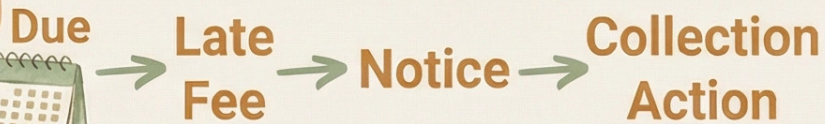
Buyer and seller are jointly and severally liable. A payoff statement is available for max \$25.



# Unpaid Assessments Trigger Fees, Interest, and Formal Collection Steps

## Additional Charges

- Late charges (per governing documents)
- Interest (specified or statutory rate)
- Attorney fees and court costs



## Collection Procedures

### Tenant Rent Redirect (§57-8-53)

If 60+ days delinquent, association may require tenant to pay rent directly to the association.

### Utility Termination (§57-8-52)

May suspend utilities or recreational access. Requires 14-day notice and hearing right.

# Unpaid Assessments Become a Lien on the Unit Automatically

## Automatic Lien (§57-8-44)

- Covers unpaid assessments, late charges, interest, attorney fees, and fines.

### How is the lien created?

Automatically when the declaration is recorded — no separate filing is required.

### Lien Priority Hierarchy

1. Government Tax Liens

2. Prior Recorded Liens

3. 1st/2nd Mortgages

4. HOA Assessment Lien

5. All Other Liens

# The Association Can Foreclose on a Unit to Collect Unpaid Assessments

## Option 1: Nonjudicial

- 30 days written notice before notice of default
- Owner can demand judicial foreclosure within 30 days
- Cannot be used for fines alone



## Option 2: Judicial

- Lawsuit to foreclose the lien through the courts
- Can include both unpaid assessments and fines
- Court awards costs and attorney fees



**Alternative:** The association may also sue for a money judgment without foreclosing, or seek appointment of a receiver to collect rents.

# Owners Have Important Rights When Facing Assessment Disputes



## Right to a Hearing

Request an informal hearing within 14 days before utility termination.



## Demand Judicial Foreclosure

Demand court oversight instead of nonjudicial foreclosure.



## Right to a Payoff Statement

Request a binding written statement for max \$25.



## Right to Contest Fines

Request a hearing within 30 days of a fine notice.











## Right to Arbitration

Dispute resolution under the Utah Uniform Arbitration Act.



# Quick Reference: Assessment Rules Under the Utah Condominium Ownership Act

	<b>Assessment definition:</b> Charges for common expenses (§57-8-3)
	<b>Allocation:</b> Based on % undivided interest (§57-8-24)
	<b>No opt-out:</b> Cannot avoid by abandoning unit (§57-8-26)
	<b>Reserve analysis:</b> Every 6 years, review every 3 years (§57-8-7.5)
	<b>Lien:</b> Automatic upon recording declaration (§57-8-44)
	<b>Payoff statement:</b> Max fee \$25 (§57-8-54)
	<b>Buyer/seller liability:</b> Joint and several liability (§57-8-25)
	<b>Utility termination notice:</b> Minimum 14 days (§57-8-52)



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# Questions? The Office of the HOA Ombudsman Is Here to Help

## We can help you:

- Understand your rights and responsibilities under Utah law
- Navigate disputes about assessments and other HOA matters
- Find information about the Utah Condominium Ownership Act

## Contact Us:

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