



2026 UTAH GENERAL SESSION

HOA Legislative Update Webinar

Utah Office of the Homeowners' Association Ombudsman
Utah Department of Commerce



Agenda

01 Registration Requirements

02 Declaration & Rule Limitations

03 Budgets

04 Transfer Fees, Reinvestment Fees, & Reserves

05 Property Tax Assessment of Common Areas

06 Records Access

07 Additional Resources

Note: This presentation does not cover every change made in the 2026 General Session. Participants are encouraged to independently review the legislation or consult with qualified legal counsel to fully understand all changes that may affect their association.

SECTION 01

Registration Requirements

SB0122 · HB0306

01

Registration — Required Information & Key Changes

SB0122 + HB0306

CAA (§57-8a-105)

COA (§57-8-13.1)

Effective May 6, 2026

Applies to: New Registrations | Annual Renewals | Updates (must file within 90 days of any change)

CAA — Required Information (§57-8a-105)

- Association: name and address
- **Board chair:**
 - Name, phone number, and email address (if applicable)
- **Each board member:**
 - Name only
- **Manager:**
 - Contact information
- **Payoff contact (for closing agents):**
 - Name, address, phone number
 - Email address or fax number (if they use email or fax for payoff communication)
- **NEW:** Statement of whether the association imposes a reinvestment fee or administrative setup fee (§57-1-46)

COA — Required Information (§57-8-13.1)

- Association: name and address
- **President:**
 - Name, phone number, and email address (if applicable)
- **Each management committee member:**
 - Name only
- **Manager:**
 - Contact information
- **Payoff contact (for closing agents):**
 - Name, address, phone number
 - Email address or fax number (if they use email or fax for payoff communication)
- **NEW:** Statement of whether the association imposes a reinvestment fee or administrative setup fee (§57-1-46)

Key Takeaway: Physical address is no longer required for individual presidents or board members.

SECTION 02

Declaration & Rule Limitations

SB0122 · HB0215

02

Statutory Applicability — When Does Each Act Apply?

SB0122

COA (§57-8-2)

CAA (§57-8a-103)

Effective May 6, 2026

Condominium Ownership Act (§57-8-2)

- **Applies if:**
 - Declaration states §57-8 applies, OR
- **Default (silent declaration):**
 - The plats within the association are designated as condominium plats
- **Required declaration statement:**
 - Must include a statement that the project is (1) designated as a condominium project and (2) governed by §57-8 [§57-8-10(2)(a)(vi) — newly added]
- **Applies regardless of:**
 - When the association was created

Community Association Act (§57-8a-103)

- **Applies if:**
 - Declaration states §57-8a applies, OR
- **Default (silent declaration):**
 - The plats within the association are NOT designated as condominium plats
- **Required declaration statement:**
 - Must include a statement that the project is governed by §57-8a [§57-8a-212(1)(e) — newly added]
- **Applies regardless of:**
 - When the association was created

Key takeaway: If a declaration does not state which act applies, look at the plats. Condominium plats → COA (§57-8). Non-condominium plats → CAA (§57-8a).

Clarification on Restrictions for CC&Rs & Rules

SB0122

CAA §57-8a-212

COA §57-8-10

Effective May 6, 2026

Advisory Opinion 2025-10

BEFORE

- Confusion over what was allowed in the rules vs the CC&Rs

A note on parking:

HOA's may *not* restrict an individual from parking on their driveway, *unless* the vehicle is one of the following:

- Commercial vehicle (§72-9-102)
- Motor home (§13-20-2)
- Recreational vehicle trailer (§13-20-2)
- **Trailers (§41-1a-102)**
- **Off-highway vehicles (§41-22-2)**
- **Special mobile equipment (§41-1a-102)**
- **Motorboats (§73-18-2)**

NOW — Effective May 6, 2026

- Prohibitions that apply to both CC&Rs and Rules have now been duplicated in both sections of code
- New restrictions on what condo associations can prohibit:
 - Reasonable activity within the confines of the unit or restrictions on unit interiors
 - Transfers of units
 - Basketball standards on driveways

Consult legal counsel if your current declarations or rules contain any of these provisions. They may no longer be enforceable.

HOA Rules — Vegetation Removal in Wildland-Urban Interface Areas

HB0215

CAA ONLY — §57-8a-218(15)(b)(iii)

Effective May 6, 2026

New Rule: A community association rule may not prohibit — or have the effect of prohibiting — a lot owner from removing vegetation from their lot if the lot is within a designated wildland-urban interface area (as defined in §65A-1-1).

1

only

The lot is within a designated wildland-urban interface area

as defined in Section 65A-1-1

If this single condition is met, HOA rules cannot block the lot owner from removing vegetation.

Note: HB0215 amended only the Community Association Act rules statute (§57-8a-218). This specific prohibition was not added to the Condominium Ownership Act rules statute (§57-8-8.1).

Boards: Review your landscaping and architectural rules for conflicts and speak with an attorney, if necessary. Any rule that could block vegetation removal in a wildland-urban interface area is now unenforceable.

Tip: Contact your local fire authority or county to find out if any part of your community falls within a designated wildland-urban interface area (§65A-1-1).

SECTION 03

Budgets

SB0122

03

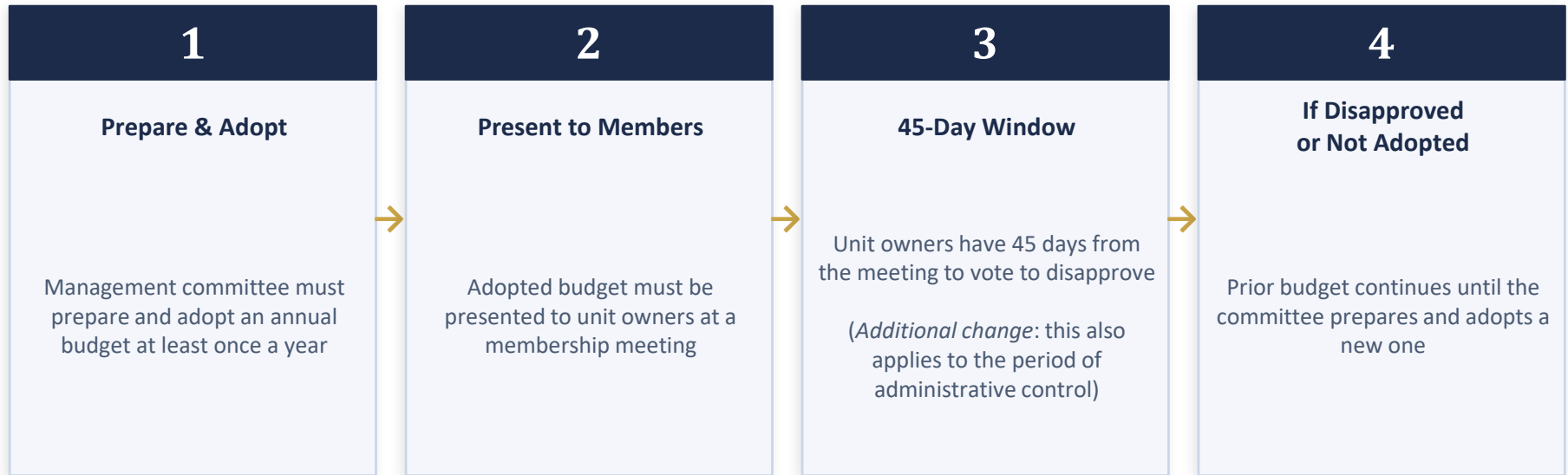
NEW — Condominium (COA) Budget Requirements

SB0122

COA ONLY — NEW STATUTE (§57-8-7.6)

Effective May 6, 2026

Prior to this bill, §57-8 had limited statutory budget requirements. SB0122 creates a new budget statute for condo associations — §57-8-7.6.



To disapprove: At least 51% of all allocated voting interests must vote at a special meeting called by unit owners under the governing documents within 45 days of the budget presentation.

CAA Budget Rules — Updates to Existing Requirements

SB0122

CAA ONLY (§57-8a-215)

Effective May 6, 2026

BEFORE

- Prior-year budget continued only if the current budget was disapproved by members
- Members could NOT disapprove a budget during the period of administrative (developer) control

NOW (Effective May 6, 2026)

- Prior-year budget now continues if the current budget is: (1) disapproved by members OR (2) not adopted by the board at all
- Rollback budget stays in place until the board adopts a new one
- Members may now vote to disapprove a budget even during the period of developer (administrative) control

How disapproval works: Members may reject a budget if at least 51% of all voting interests vote to disapprove at a special meeting called for that purpose, within 45 days of the board's presentation of the adopted budget.

SECTION 04

Transfer Fees, Reinvestment Fees, & Reserves

04

HB0306 · SB0122 · SB0196 · Freddie Mac Bulletin 2026-C

Transfer Fees — New Defined Terms and Requirements

SB0122

§57-1-46)

Effective May 6, 2026

- **“Transfer Fee” is now “Administrative Setup Fee”**
 - A fee, charge, or payment that is:
 - Related to the sale of real property; and
 - Is imposed on a buyer or seller by the association or a person acting on behalf of the association
- **Strict Permissible Use**
 - Fee is void and unenforceable unless used only to pay expenses related to the transfer *of real property* (emphasis on the new change).
- **Annual Accounting Requirement**
 - If a manager collects an administrative setup fee, they must provide an annual accounting of all fees collected that year.
 - Annual reports must be provided to the association no later than December 31st of each year.

Note: Administrative setup fees are different than recorded transfer fees.

Wrongful Lien Alert — What Board Members Need to Know

SB0196

CAA (§57-8a) & COA (§57-8)

Effective May 6, 2026

What Changed:

A notice of transfer fee covenant recorded when the underlying covenant is unenforceable is now a wrongful lien under Utah law. When the notice is a wrongful lien, the transfer fee covenant itself is also invalid. A covenant is unenforceable — and its notice is a wrongful lien — if the covenant was extinguished by: (1) foreclosure of a senior mortgage or trust deed, (2) failure to record a required notice, or (3) a recorded rescission, termination, or release.

What You Need to Know:

- Recording a notice of transfer fee covenant when it is not authorized by statute, court order, or a document signed by the property owner may be a wrongful lien
- A wrongful lien can expose the person who recorded it to legal liability and may cause the related covenant to be declared invalid

Consult legal counsel if you see a suspicious notice of transfer fee covenant or a lien related to transfer fees. The rules governing when these documents may legally be recorded are technical and fact-specific.

Reinvestment Fees — New Defined Terms

HB0306

CAA (\$57-8a)

COA (\$57-8)

Effective May 6, 2026

- **Capital-Intensive Infrastructure Maintenance (new)**
 - Infrastructure with a useful life of more than 5 years after construction
 - Requires periodic replacement or major rehabilitation
 - Requires advance funding through reserves or special assessments
 - Does NOT include: routine maintenance, landscaping, signage, or perimeter fencing
- **Low-Amenity Association (new)**
 - Made up only of detached single-family homes
 - Does not provide capital-intensive infrastructure maintenance to members
- **Large Master Planned Development (no definition change)**
 - Must be an approved development of at least 500 acres or 500 units; and
 - That includes a commitment to fund, construct, develop, or maintain infrastructure, facilities, programming, or other amenities

Reinvestment Fees — Fee Limits & Reserve Deposit

HB0306

CAA (\$57-8a)

COA (\$57-8)

Effective May 6, 2026

Low-Amenity Associations

0.25%

max fee — NEW lower cap

Large Master Planned Developments

No Cap

cap does not apply

Everybody Else

0.5%

max fee — unchanged

NEW — 50% Reserve Deposit Requirement

- At least 50% of any reinvestment fee collected must be deposited into reserve funds
- Exception: Large master planned developments are not subject to this requirement

Freddie Mac Bulletin 2026-C / Fannie Mae Lender Letter (LL-2026-03)— Reserve Requirements for Condominiums

FREDDIE MAC

FANNIE MAE

APPLIES TO: CONDOMINIUM PROJECTS

Enhanced Reserve Study Requirements

Effective Aug 3, 2026 (may implement immediately)

- Project budget must include the highest recommended reserve allocation amount from the reserve study
- The highest recommended amount may NOT be based on a baseline funding method — defined as any method where the reserve cash balance approaches but never falls below zero

Increased Replacement Reserve Minimum

Effective Jan 4, 2027

10% → 15%

of annual assessment income must go to reserves for capital expenditures and deferred maintenance

Even if your last reserve study review has not expired, check whether your funding meets the new thresholds.

SECTION 05

Property Tax Assessment of Common Areas

HB0077

05

Common Area Property Tax Assessment

HB0077

CAA (§57-8a) & COA (§57-8)

Effective May 6, 2026

What the Law Now Clarifies

- When a plat contains a common area, each lot or unit has an equal ownership interest in that common area — unless the plat or a recorded document says otherwise
- County assessors must assess common areas consistent with those equal ownership interests — not as standalone parcels
- This applies to both condominium projects and community associations

What It Means for Owners & Boards

- The value of your common areas is spread across all lots/units proportionally — not assessed separately at the association level
- If you believe your common area is being assessed inconsistently, you may have grounds to raise the issue with your county assessor
- This is a clarification of existing rules — not a new tax or a fundamental change to how common areas have been taxed

For questions about how your association's common areas are assessed, consult with legal counsel or a certified public accountant, or contact your county assessor's office directly.

SECTION 06

Records Access

SB0122

06

Records Access — Faster Deadlines & Electronic Delivery

SB0122

CAA (§57-8a-227)

COA (§57-8-17)

Effective May 6, 2026

BEFORE

- Association had "two weeks" to respond to a records request
- The \$25/day penalty started on the 6th day after the request
- No rule on whether owners could be charged for electronic delivery

NOW (Effective May 6, 2026)

- Association must respond within 10 business days of receiving the request
- The \$25/day penalty starts on the 11th business day
- Applies to both CAA (§57-8a-227) and COA (§57-8-17)

Reminder: Associations may NOT charge owners for the cost of electronic document delivery

Owners may still be charged for physical copies (up to 10¢/page and \$20/hr for staff time). Associations may satisfy a request by posting documents to their website or owner portal.

Records & Funds — Association Property & Third-Party Turnover

SB0122

CAA (§57-8a-227)

COA (§57-8-17)

Effective May 6, 2026

What Is Considered Property of the Association?

- All association records and documents (governing documents, minutes, budgets, financial statements, reserve analyses, insurance certificates, etc.)
- Funds held in association accounts

New Third-Party Turnover Requirement

- If any person other than the association controls or possesses association records — such as a property manager, management company, or former board member — that person must provide the records to the association upon request, without charge
- This applies even if there is a dispute between the association and the third party, or during a transition to new management

When changing management companies, boards can now demand the return of all association records and funds immediately — regardless of any dispute with the outgoing manager.

SECTION 07

Additional Resources

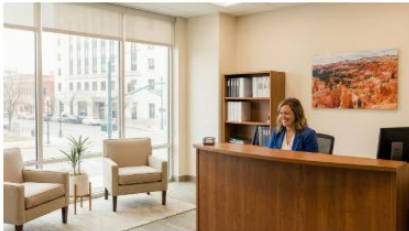
HOA Ombudsman · MyUtah Portal

07

HOA Educational Resources

Find educational resources for issues impacting HOAs in Utah. Whether you live in an HOA, run an HOA as a member of its board, or work with an HOA, the resources provided below will empower everyone to make HOA living a joyous and harmonious situation.

General Information



About the Ombudsman



HOA Homebuyers



Statutes & Legislation



Welcome

Take care of tasks from across government right here in MyUtah. More services are added regularly. Use the Feedback button to the right to suggest a service.

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Available Services

If you're looking for a service that is not yet available in MyUtah, please search for it on Utah.gov.



QUESTIONS?

Thank You

Utah Office of the Homeowners' Association Ombudsman
Utah Department of Commerce
commerce.utah.gov/hoa/

*This presentation is for educational purposes only and does not constitute legal advice.
Consult qualified legal counsel for guidance specific to your association's circumstances.*

