2024 Legislative Session Report



Utah 2024 End of Legislative Session Report

The CAI Utah Legislative Action Committee actively advocated on behalf of the <u>approximately</u> 634,000 Utahns living in 204,000 homes in more than 3,570 community associations across the <u>Beehive State</u> during the 2024 state legislative session. Out of 599 bills introduced in the House and 299 introduced in the Senate, the Utah Legislative Action Committee tracked 9 bills of relevance to community associations. The State Legislative Session began on January 16 and adjourned on March 1. Below is a brief overview from the 2024 Utah State Legislature:

H.B. 104 Property Owner Association Amendments

This bill limits the authority of community associations to deny a unit owner's request to install industry-standard radon mitigation modifications. Denial of radon mitigation modifications can only be in instances where the installation would violate a building code, a local land use ordinance, a health code, or a fire code. Associations may impose rules on appearance and placement, so long as the rules do not interfere with the modification's functionality or increase the cost of installation by over 40%. Associations may additionally require proof of radon contamination and proof the modifications will be made by a licensed professional.

Status: PASSED, effective May 1, 2024.

H.B. 359 Homeowners' Association Requirements

This bill would have limited the ability of community associations to allow proxy voting by stating that proxy voting could not be utilized over consecutive meetings during a 6-month period. It also would have modified the requirement of associations to maintain the most recent budget and meeting minutes for inspection by having the requirement apply only to new community associations for a 2-year period. The bill would have also set rules for the availability of certain documents by associations without a website, and would have created a new threshold of 67% of unit owners to approve the installation of surveillance equipment in common areas.

Status: FAILED in Committee.

S.B. 31 Insurance Amendments

This bill provides a comprehensive update to Utah's insurance statutes. The notable change in this bill is that it allows an association captive insurance company to provide homeowners insurance, subject to approval by the Utah Insurance Commissioner.

Status: PASSED, effective May 1, 2024.

S.B. 204 Condominium and Community Association Amendments

This bill makes a number of changes to existing state statutes governing community associations. Among substantive changes, it requires that associations adopt rules relating to water wise landscaping, and not prohibit low water use on lawns during drought conditions. For associations which violate these new rules, they could face penalties of \$500 or the owner's actual damages, whichever is greater, as well as reasonable costs and attorney's fees. SB 204 also adds an internal accessory dwelling unit to the definition of a rental unit, and clarifies the process by which a county assessor may assess a common area for property tax purposes. Additionally, the bill provides a process by which an association may sell common areas upon approval of 67% of owners. Finally, the bill modifies the rights of a board member of a nonprofit corporation to inspect and copy records by broadening the scope to include minutes and accounting records.

Status: PASSED, effective May 1, 2024.

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