



HOAMCO®

## 2026 LEGISLATION LOADING ...

At HOAMCO, one of the commitments we make is to actively monitor legislation that is pending in Utah to stay ahead of any changes that could impact our communities.

As we enter this new year, we wanted to share updates on pending bills that have the potential to impact Community Associations. While these bills have not yet passed, it is important for us to stay ahead of any legislation being proposed so that we are aware of any potential impacts before they happen, and we can reach out to legislators to show our support or share our concerns about any of the bills being considered.

Please see below to learn more about the pending legislation we are monitoring as of February 9, 2026. **For a full understanding of everything in the legislation, we recommend reviewing the full bill text by clicking the name of each bill**, as the high-level summaries do not cover every item included.

### **PENDING 2026 UTAH LEGISLATION:**

#### **1. HOA Ombudsman, Fees, and Budgets ([HB 406](#))**

HB 406 would expand the role of the HOA Ombudsman by requiring advisory opinions and educational materials to be made public. It also reinforces HOA registration and budgeting requirements and caps certain association fees, including limiting administrative setup fees to \$200. This would increase oversight, transparency, and compliance obligations for associations while limiting fee flexibility.

#### **2. Reinvestment and Transfer Fees ([HB 306](#))**

HB 306 would regulate reinvestment fees by defining how they may be charged,

requiring disclosures, mandating member approval for changes, and directing 50% of collected fees be put into reserves. Certain transfer fees would be void unless used strictly for transfer costs. This would significantly limit revenue flexibility and add new disclosure, voting, and reserve-funding requirements.

### **3. Rentals, ADUs, and Ombudsman Transparency (SB 122)**

SB 122 would expand the responsibilities of the Ombudsman office, limit when rental fees may be charged, and prevent HOAs from banning compliant internal accessory dwelling units. It also requires that associations update and register their information with the Department of Commerce to avoid noncompliance penalties that prevent lien creation or enforcement. It would reduce HOA authority over rentals and ADUs, increase administrative and registration compliance requirements, and potentially impact enforcement and revenue strategies.

### **4. Tax and Assessment Updates (HB 77)**

HB 77 would modify various state tax provisions, update penalties for late filing of mineral production tax withholding forms, and clarify assessment requirements for condominium and community association common areas. It currently appears to have minimal direct impact on HOA operations, but we will continue to monitor any revisions.

### **5. Investment and Reinvestment Zones (SB 39)**

SB 39 would restructure and update laws related to state investment and reinvestment zones, focusing on planning and economic development. While there are currently no direct HOA regulations, communities in affected zones could see indirect planning or development impacts.