



APPLIES TO PLANNED COMMUNITIES AND CONDOMINIUMS

<u>SB1184 – HOAs; Uniformed Services Division Flags</u>	
A.R.S. § 33-1261 & A.R.S. § 33-1808	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
An association cannot prohibit display of the American Flag or an official or replica flag of the uniformed services of the United States.	<ul style="list-style-type: none"> • Adds division flags for uniformed services (Army, Navy, Marine Corps, Air Force, Space Force or Coast Guard) to the list of flags that an association cannot prohibit. • Defines “division flag” as “flag that is officially authorized by the United States Army, Navy, Marine Corps, Air Force, Space Force or Coast Guard to represent a division level unit that bears the unit’s approved insignia, designation or nickname and that is used for ceremonial, identification or representational purposes.”
<u>SB1246 – HOAs; Expense Liens; Special Assessments</u>	
A.R.S. § 33-1256 & A.R.S. § 33-1807	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
<p>For Condos:</p> <p>Association may foreclose on a common expense lien if owner is delinquent for <u>one year</u> or owes at least <u>\$1,200</u>, whichever occurs first, without regard to whether the lien arises from a special assessment.</p>	<p>For Condos:</p> <p>Association may foreclose on a common expense lien if owner is delinquent for <u>18 months</u> or owes at least <u>\$10,000</u>, whichever occurs first.</p> <p>For Condos and Planned Communities:</p> <p>For any special assessment with an initial value of \$10,000 or more, only the 18 month delinquency threshold applies before the association may foreclose.</p>
<u>SB1808 – Homeowners' Associations; Allied Countries' Flags</u>	
A.R.S. § 33-1261 & A.R.S. § 33-1808	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
An association can prohibit display of flags for other countries.	<ul style="list-style-type: none"> • An association cannot prohibit the display of “a flag from a nation that is allied with the United States as a major non-NATO ally and that was established on May 14, 1948.” • This applies only to the Israeli flag.

<u>HB2397 – Homeowners’ Associations; Property Covenants; Disclosures</u>	
A.R.S. § 33-1260 and A.R.S. § 33-1806	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
<p>The Condominium Act and the planned communities statutes contain a detailed list of documents and information that must be disclosed to purchasers.</p>	<p>Requires disclosure of additional items, including:</p> <ul style="list-style-type: none"> • a copy of the current bylaws and the current rules; • a copy of the current declaration and final plat or an electronic copy of the final plat; • a copy of the board-approved minutes from the previous three open meetings; • a dated statement containing statutorily outlined information; • a copy of the current operating budget; • a copy of the most recent annual audit, review or compilation report; • a copy of the most recent reserve study (or a summary of the report is more than 10 pages); • a statement summarizing any pending lawsuits, including the amount of any money claimed; • a statement as to whether the condominium or the planned community is under declarant control and the approximate percentage of units or properties identified on the recorded plat that are currently owned by the declarant • a statement that, for any report provided in summary format, the purchaser may request to view the entire report and the association must provide access to the report within 10 days after a written request; <p>Modifies the contents of the dated statement in a disclosure to contain:</p> <ul style="list-style-type: none"> • the telephone number and address of a principal contact for the association; • the amount and payment schedule for the annual common expense assessment or common regular assessment for the unit or property and the remaining installments and payment schedules on any approved and assessed special assessment; • the amount and purpose of any special assessment approved by the Board but not yet assessed, or any special assessment submitted by the Board for unit owner or member approval within the previous four months; • the current amount of any unpaid common expense assessment, lien or judgement lien on the unit or property due and any lis pendens

	<p>recorded against the unit or property;</p> <ul style="list-style-type: none"> • the amount and purpose of any title transfer fee or other similar fee, however denominated, that is authorized in the declaration; • a copy of the most recent income and expenses financial statement for all operating and reserve accounts; and • any outstanding and unresolved violation of the documents that was cited against the unit or property. <p>Modifies the contents of a condominium disclosure to contain:</p> <ul style="list-style-type: none"> • a statement as to whether a portion of the unit is covered by insurance maintained by the association and a copy of all insurance certificates identifying the coverage limits and deductibles maintained; • a statement identifying whether any corporation or limited liability company owns and leases 35 percent or more of the units; and • in the dated statement, any known material deficiency or condition of the limited common elements associated with the unit or common elements known by the association for which the purchaser will be liable for the directly assessed repair costs within six months of purchase. <p>Requires all the information that is provided in a disclosure packet to be based on the good faith reliance on association records or information, without the need for independent investigation or validation.</p> <p>Provides that, if a purchaser or seller is damaged by the failure of the appropriate party to disclose the information required or if the appropriate party knowingly or recklessly provides materially false or misleading statements in the disclosure packet, then the purchaser or seller may pursue all remedies at law or in equity, including the recovery of reasonable attorney fees as awarded by the court.</p>
<u>HB4011 – HOAs; Duties</u>	
A.R.S. §§ 33-1242 and 33-1821	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
N/A	<ul style="list-style-type: none"> • Association has duty to act reasonably in the exercise of its discretionary powers. • “Duty to act reasonably” includes the duty to exercise discretionary powers neutrally, fairly, without favoritism, and in a nonarbitrary fashion.

APPLIES ONLY TO PLANNED COMMUNITIES

<u>SB1290 – Open Meetings; Planned Communities</u>	
A.R.S. § 33-1804	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
Statute does not prohibit Board from taking action (voting) in closed meetings.	Board may only take action (vote) in open meetings.
<u>HB2342 – Homeowners’ Associations; Shade Structures</u>	
New A.R.S. § 33-1816.01	
<u>Prior Law</u>	<u>Effective on September 12, 2026</u>
Backyard shade structures are governed by the CC&Rs.	<ul style="list-style-type: none"> • Association may not prohibit the backyard installation or use of a shade structure. • Association may adopt reasonable rules on size, placement or appearance if rules to not prevent installation, impair functioning, restrict use or unreasonably affect cost of structure and are not more restrictive than applicable ordinances regarding height and setback. • “Shade Structure” means commercially manufactured moveable or permanent structure designed to protect an areas from sunlight, including an umbrella, awning, shade sail, gazebo, pergola or canopy.