

# WENDY EHRLICH, ATTORNEY <sup>PLLC</sup>

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9671 N. Horizon Vista Place | Oro Valley, Arizona 85704 | 520-229-1947 | wehrlich@comcast.net

Admitted in AZ, MD and DC

## 2026 LEGISLATIVE AND CASE LAW UPDATE

*The following bills from the 2026 Arizona legislative session were signed into law by Governor Hobbs and will go into effect on September 12, 2026.*

*Once in effect, the entirety of the statutes referenced below will be available on my website: [azhoalawyer.com](http://azhoalawyer.com).*

### **SB 1808 & SB 1184: Amending A.R.S. §§33-1261 (Condos) and 33-1808 (Planned Communities)**

- Adds types of flags that residents are permitted to display on their property:
  - Army, Navy, Marine Corps, Air Force, Space Force and Coast Guard division flags
  - Flags of certain nations allied with the United States

### **HB 2342: Adding A.R.S. §33-1816.01 (Planned Communities):**

- Requires planned community associations to allow owners to install shade structures in their backyards.
- Allows associations to adopt limited rules regarding shade structure size, placement, and appearance.
- Applies to commercially-produced or professionally-manufactured movable and permanent structures.

### **SB 1290: Amending A.R.S. §33-1804 (Planned Communities)**

- Prohibits Board from taking action (voting) in an executive session (codifying a part of the Court of Appeals decision noted in the Case Law Update below).

### **HB 2397: Amending A.R.S. §§33-1260 (Condos) and 33-1806 (Planned Communities):**

- Changes requirements for resale disclosure, including:
  - Allowing for electronic delivery.
  - Requiring additional documents/information to be disclosed to purchaser including, for example, the plat, minutes from previous three (3) Board meetings, pending special assessments, transfer fees required by the CC&Rs, and financial statements (see statute for full list).

**HB 4401: Amending A.R.S. §33-1242 (Condos) and adding A.R.S. §33-1817 (Planned Communities)**

- Imposes duty on associations to exercise *discretionary* powers (like architectural control) reasonably (codifying prior case law).
- Duty to act reasonably includes making decisions neutrally, fairly, without favoritism and in a non-arbitrary fashion.

**SB 1246: Amending A.R.S. §§33-1256 (Condos) and 33-1807 (Planned Communities)**

- Increases minimum amount of time and amount of delinquency that triggers an association's foreclosure right: from 1 year to 18 months and from \$1,200 to \$10,000.

**Case Law Update:**

The Arizona Court of Appeals issued an opinion in A Z N H Revocable Trust v. Sunland Springs Village Homeowners Association addressing association board meetings held in executive session. The Court's decision, which constitutes current Arizona law, includes the following:

- The Board's authority to hold a meeting or a portion thereof in executive session may be delegated to the President.
- Notice of an executive session must cite the paragraph under the statute that provides the exception to the open meeting requirement.
- The agenda for an executive session must include sufficient information to advise owners of the subject matter that will be discussed.
- Boards may not vote on any matter in an executive session (also in the amendment to the open meeting statute as noted above).

Note: There is a petition for review of this decision pending in the Arizona Supreme Court (No. CV-26-0167-PR). If the Arizona Supreme Court grants review, it could uphold or reverse the opinion, or direct that the opinion be "unpublished" so that it does not have the force of law.

*This is only intended as a brief summary of the changes to Arizona law and does not constitute legal advice.*