2026 / ARIZONA BOARD EDUCATION SERIES

THRIVE
COMMUNITY MANAGEMENT

Arizona HOA Governance in 2026

The Board’s Guide to New Legal Standards, Financial Accountability & Decisions That Carry Risk

AN EXECUTIVE GOVERNANCE BRIEFING

For Arizona Planned Communities and Condominium Associations

A practical look at 2026 statutory changes, defensible Board decisions, disclosure responsibilities, and governance controls that deserve attention now.

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01 / THE 2026 SHIFT

A Different Standard for Board Decisions

Arizona’s 2026 legislative changes do more than revise administrative procedures. They place renewed emphasis on how associations exercise authority, communicate decisions, handle resale information, and manage the consequences of assessments. For Boards, the central issue is not simply knowing a rule; it is being able to demonstrate that the association applied it correctly.

The legal framework remains different for planned communities and condominiums. The Planned Communities Act generally appears in A.R.S. Title 33, Chapter 16; the Condominium Act in Chapter 9. Similar-looking requirements can have different wording, exceptions, or procedures. A policy borrowed from another community is not necessarily appropriate for yours.

BOARD DECISION TEST

Before approving a policy, identify its statutory and governing-document authority, the evidence considered, any relevant exceptions, and where the decision will be recorded.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1201 et seq.; 33-1801 et seq.

02 / REASONABLENESS

When Discretion Must Be Defensible

Effective September 12, 2026, Arizona expressly requires planned community and condominium associations to act reasonably when exercising discretionary powers. The statutory definition includes acting neutrally, fairly, without favoritism, and in a nonarbitrary manner. This is especially relevant when the governing documents leave a Board room to interpret standards or grant exceptions.

Consider two owners seeking similar architectural variances. A defensible process examines the same criteria, records material differences, and explains the result. The risk is not necessarily that two requests receive different outcomes; it is that the Board cannot articulate a fair and consistent basis for treating them differently.

WHAT TO REVIEW

Audit discretionary approvals, variance requests, fine decisions, and appeal practices. Create a short written decision record showing the criteria used and the factual reason for the outcome.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1821; 33-1242(E) (HB 4011, 2026).

03 / OPEN MEETINGS

The Boundary Between Deliberation and Action

Arizona SB 1290 amended the planned-community open-meeting statute effective September 12, 2026. A permitted closed portion of a planned-community meeting is limited to consideration without action. A Board should not treat executive session as a substitute for properly conducting association business in the open.

This change applies to planned communities under A.R.S. § 33-1804; condominium Boards operate under a separate meeting statute, § 33-1248. Both types of association must still evaluate their own requirements for notice, agendas, owner participation, and permissible closed-session subjects. The key operational challenge is separating sensitive discussion from the action the law requires to occur elsewhere.

MEETING-PROCESS AUDIT

Check how agendas identify closed-session topics, how motions are handled after confidential deliberations, and whether minutes accurately reflect formal actions.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1804; 33-1248; SB 1290 (2026).

04 / THE PUBLIC RECORD

Why Board Minutes Matter Beyond the Meeting

Board-approved minutes are no longer merely an internal history of decisions. Arizona’s updated resale disclosure provisions require specified recent open-meeting minutes to be included in disclosure materials. A buyer may therefore see how an association documents assessments, projects, and significant Board actions before acquiring a home.

Minutes should state what the Board decided and record the vote without becoming a speculative transcript. Supporting financial schedules, engineering findings, or contract analyses should be retained in the association’s records under appropriate access rules. A vague entry such as “discussed reserves” tells a future director little about what was approved or why.

BOARD PRACTICE

Adopt a consistent minute-review process, confirm approval dates, and organize the most recent approved open-meeting minutes for resale disclosure workflows.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1806; 33-1260 (HB 2397, 2026).

05 / RESALE DISCLOSURE

The Transaction Is a Test of Record Quality

The 2026 changes to Arizona resale disclosures place greater importance on complete, timely, and accurate association records. Disclosure packages include governing documents and specified financial, assessment, and meeting information. For qualifying transactions, statutory deadlines and responsibilities vary by association type and size.

The statute permits good-faith reliance on association records without requiring an independent investigation of every underlying fact. That protection is not a reason to tolerate unreliable records. Boards should ensure management can retrieve approved minutes, current assessment figures, and applicable disclosure documents without reconstructing them at the last minute.

OPERATIONAL QUESTION

If a property entered escrow today, could the association assemble its required disclosure package from organized, current records?

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1806; 33-1260.

06 / ASSESSMENT EXPOSURE

Collections Require More Than a Delinquency Report

Assessment collection is both a financial and legal decision. Arizona’s lien and foreclosure rules establish thresholds and procedural distinctions that differ between planned communities and condominiums, including changes affecting condominium delinquencies and certain large special assessments in 2026. A collection policy should not rely on an old threshold or a single rule applied to every association.

A Board reviewing delinquency trends should distinguish between routine payment follow-up, statutory notice, lien rights, attorney involvement, and foreclosure eligibility. It should also understand how aging receivables affect operating liquidity and whether the association’s collection strategy is consistent with its governing documents and current law.

RISK CONTROL

Ask counsel and management to validate collection notices, thresholds, timelines, and escalation authority against current statutes before enforcement.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1256; 33-1807; SB 1246 (2026).

07 / FINANCIAL OVERSIGHT

Financial Reports Should Reveal Decisions, Not Just Balances

A Board may receive monthly financial statements and still lack a clear understanding of its exposure. An operating surplus can coexist with deferred maintenance, inadequate reserve contributions, unpaid invoices, or capital projects scheduled to collide within a short period. The quality of oversight depends on the questions directors ask of the reports.

For Arizona communities, capital planning should account for heat-related wear, irrigation systems, pool infrastructure, roofing, asphalt, and major landscape assets. A Board should be able to explain the difference between cash on hand, restricted or designated reserves, and money realistically available for future replacements.

THREE FIGURES TO CONNECT

Compare current reserve balances, projected replacement costs, and the funding path for the next five years. Document any gap and the options considered.

LEGAL REFERENCE / EDITORIAL NOTE

Governance practice; consult governing documents and financial advisers.

08 / ENFORCEMENT

Consistency Is a Legal Control, Not a Courtesy

Architectural approvals, parking rules, maintenance violations, and fines can become flashpoints when homeowners believe standards are selectively applied. Arizona law requires specific violation-notice information and provides procedures for contesting allegations. The 2026 reasonableness standard adds another reason to make discretionary decisions traceable and evenhanded.

A defensible enforcement process identifies the governing provision, describes the observed conduct, documents notice and response opportunities, and records the basis for the final decision. Where facts differ, the Board should explain the distinction rather than assuming an exception will speak for itself.

SCENARIO FOR DIRECTORS

Two similar exterior modifications receive different outcomes. Can the Board point to a documented material difference and a consistently applied rule?

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1803; 33-1242; 33-1821.

09 / PROPERTY RIGHTS

Modernizing Rules Without Overstepping

Arizona has enacted targeted protections for certain owner activities and property improvements, including new 2026 restrictions on planned-community regulation of backyard shade structures. These provisions do not eliminate all architectural oversight; they change the boundaries within which a Board may adopt and enforce reasonable requirements.

A useful rulebook review should focus on whether each restriction is still legally authorized, clearly written, consistently enforced, and aligned with the association’s actual maintenance or aesthetic interests. Legacy policies deserve special attention when state law changes.

POLICY REVIEW

Flag provisions concerning shade structures, landscaping, signs, and exterior improvements for review against current statutes and the association’s declaration.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. § 33-1816.01; HB 2342 (2026).

Management Advice Does Not Replace Board Judgment

Professional management can organize information, obtain bids, and implement approved decisions. It does not eliminate the Board’s responsibility to evaluate significant contracts, understand costs, and address conflicts. A vendor renewal that arrives with no performance comparison or scope review may be administratively convenient but strategically weak.

Directors should consider whether proposals are comparable, whether contract terms include automatic renewals or unusual termination provisions, and whether any director or related party has an interest requiring disclosure or special handling. The association should retain the rationale for major vendor selections.

CONTRACT DECISION FILE

Keep the scope of work, competing options where appropriate, insurance verification, conflict disclosures, Board approval, and renewal dates together.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. § 33-1811; governing documents; applicable corporate law.

Transparency Does Not Mean Publishing Everything

Arizona law gives association members access to many financial and other records, subject to statutory limitations. The practical challenge is maintaining a process that provides lawful access while protecting privileged communications, sensitive personal information, and other material subject to applicable exceptions.

Poor records organization creates unnecessary disputes: a request is delayed, a version is missing, or management cannot determine which documents were approved. A reliable records system identifies custodians, retention practices, request handling, and the authority for any withholding or redaction.

BOARD CONTROL

Review records-request workflows, response responsibilities, document naming, and how privileged or confidential materials are separated from general association records.

LEGAL REFERENCE / EDITORIAL NOTE

A.R.S. §§ 33-1805; 33-1258.

Seven Questions That Reveal Weak Governance

An annual governance review should test how the association makes decisions—not simply whether its policies exist. The following questions are designed for a focused Board discussion and can be assigned to directors, management, and counsel for follow-up.

1. Are discretionary decisions documented with objective criteria? 2. Do our closed-session practices match our association type? 3. Can we assemble accurate resale disclosures promptly? 4. Are collection thresholds and notices current? 5. Are rules aligned with 2026 property-rights changes? 6. Can we explain upcoming reserve and capital funding needs? 7. Do major contract decisions include an independent evaluation?

PRIORITIZE THE WORK

Select three weaknesses, assign an owner and deadline, and revisit progress at the next regular Board meeting.

LEGAL REFERENCE / EDITORIAL NOTE

References throughout this publication.

13 / A 90-DAY RESPONSE

Turn Legislative Awareness Into Operational Change

Days 1–30: Ask management and Arizona counsel to identify policies affected by the 2026 changes. Review meeting procedures, disclosure templates, collection practices, and discretionary decision records. Confirm which statutory chapter governs the association.

Days 31–60: Update templates, train directors on meeting and enforcement procedures, and organize the records required for resale transactions. Revisit high-risk vendor agreements and any reserve assumptions that no longer reflect the community’s assets. Days 61–90: Test the revised workflows, document unresolved legal questions, and establish quarterly oversight checkpoints.

SUCCESS MEASURE

By day 90, the Board should have an updated policy register, assigned responsibilities, a documented exceptions list, and a schedule for future reviews.

LEGAL REFERENCE / EDITORIAL NOTE

Suggested governance plan; not a statutory deadline.

REFERENCE DESK

Primary Arizona Legal Sources

Arizona Legislature — current statutes

https://www.azleg.gov/arsDetail/?title=33

Planned communities: Title 33, Chapter 16

https://www.azleg.gov/arsDetail/?chapter=10&title=33

Condominium statutes: Title 33, Chapter 9

https://www.azleg.gov/arsDetail/?chapter=9&title=33

2026 session laws and enacted bills

https://www.azleg.gov/sessionlaws/

2026 legislation: SB 1290, HB 4011, HB 2397, SB 1246, HB 2342

https://www.azleg.gov/sessionlaws/

This publication discusses selected provisions and operational implications as of October 2026. It is not a comprehensive inventory of all statutory changes. Applicability depends on the association type, governing documents, transaction details, and effective law.

Educational information only; not legal advice. Verify the current statute and consult qualified Arizona association counsel before adopting or changing policies.

THRIVE
COMMUNITY MANAGEMENT

Governance That Holds Up

Strong associations do more than meet minimum requirements. They connect legal awareness with sound financial oversight, documented decisions, and consistent operational practices.

Thrive Community Management supports Arizona Boards with management guidance, financial reporting, community operations, and structured transitions.

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