

2025 CAI South Carolina Legislative Session Report

Community Associations Institute (CAI) and the South Carolina Legislative Action Committee (SC LAC) spent the 2025 legislative session advocating on behalf of the [approximately 1,399,000 South Carolinians living in 577,200 homes in more than 7,400 community associations](#) across the state. South Carolina's legislative session began on January 14 and adjourned on May 8. All pending bills will carry over into 2026.

In 2025, SC LAC actively tracked nearly 40 bills that either directly or indirectly impacted community associations. Below is a brief overview:

S. 244 – TORT REFORM/CONSTRUCTION DEFECT LEGISLATION

SC LAC **opposed** the original version of this bill, which addressed tort reform and impacted construction defects. SC LAC highlighted the bill's potential unintended consequences that could undermine the ability of homeowners, homeowner associations (HOAs), and condominiums to protect themselves and their largest assets, their homes. Specifically, Section 6 of the original bill, which amends 15-3-670(B) of the SC Code, could greatly impair a homeowner or homeowner association's right to seek repairs for defective construction by eliminating the ability to utilize breaches of building codes as evidence of negligence and other improper acts.

Per [CAI's public policy on Protection of Community Association Claims in Construction Defect Legislation](#), construction defect legislation must provide a community association with a meaningful and adequate opportunity to inspect the construction of common property and facilities, and to present any claims it may have to its builder. Repose periods of less than 10 years after the substantial completion of the community do not provide a sufficient period for community associations to discover latent defects. Limitations periods less than two years after the discovery of the nature of the defect do not provide community associations with sufficient time to investigate defects, work with the builder to informally resolve the dispute, and to retain legal counsel. The bill was ultimately **successfully amended** to change the statute of limitation from 8 to 10 years after the substantial completion of the improvement.

Additionally, as per [CAI's public policy on Government Regulations of Community Associations](#), legislation should not interfere with community association's right to self-governance. It has become a common practice for builders to insert provisions in



community association governing documents that are designed to shield them from legal liability.

SC LAC strongly supports responsible governance that protects homeowners and individual homeowners and makes ongoing efforts to collaborate with lawmakers to find alternative legislative approaches to address any concerns raised by S. 244 without imposing unnecessary burdens on community associations and all homeowners in South Carolina.

Status: Amended and passed Senate, Referred to House Committee on Judiciary

H. 4006 – OPEN HOA BOARD MEETINGS

SC LAC **opposes** this legislation, which would require all meetings of the board of a homeowners association, including any subcommittee or other committee of the board, where the business of the association is discussed or transacted to be open to all members of record. The bill also allows recordings of meetings, political signs, and the flying of both SC and US flags. Fines for vehicles with expired license tags are prohibited under this bill.

CAI recognizes that there are many situations where meetings should not be open to all members of a community, such as when member conflicts or legal matters are being discussed. Under this requirement, association boards could lose the ability to effectively conduct business, as they have a duty to do. There would be no attorney-client privilege and no ability to discuss sensitive matters. Additionally, by complying with this bill's provisions and releasing all information discussed at all meetings to all homeowners, boards could violate state and federal privacy laws. Compliance with this legislation would also impose administrative and financial burdens on association boards.

This legislation is unnecessary, as the Nonprofit Act already provides an avenue for any member to request excerpts of minutes as long as the request complies with applicable statute. This bill contradicts existing language in the Nonprofit Act that allows the Board to hold regular meetings without notice to the members of the board, much less to members of the community.

Status: Referred to House Committee on Judiciary

H. 3350 – AMEND HOA ACT, DISPUTE RESOLUTION

SC LAC is [monitoring](#) this legislation, which is based on Study Report by South Carolina's House Legislative Oversight Committee on the Department of Consumer Affairs' (DCA) Involvement with HOAs and addresses dispute resolution in homeowners associations. The bill mandates internal dispute resolution processes for HOAs and outlines minimum requirements, requires minimum of 48-hour notice of all meetings, sets forth changes in voting provisions, and requires responses to complaints filed with DCA to include copies of relevant portions of documents supporting responses. SC LAC is considering amendments even for the sections it supports.

SC LAC **opposes** Section 5 requiring magistrates court to adjudicate all matters between homeowners and HOAs. Such a requirement would place an excessive burden on magistrates court, and internal dispute resolution processes by all HOAs as proposed by Section 4 of the bill should be given a chance to function. If the magistrates court provision were implemented, legal fees and other costs to community associations would increase.

CAI recognizes the need for and supports the use of fair alternative dispute resolution (ADR) mechanisms to resolve disputes arising in community associations, particularly in appropriate cases where such measures can facilitate efficient and equitable resolution. Per [CAI's public policy on Alternative Dispute Resolution](#), CAI encourages community association board members to design ADR procedures most appropriate for the community's needs in resolving disputes, subject to state law, including any provisions that may be required within the community's governing documents. Considerations for those procedures should focus on providing a neutral forum that encourages fact-finding and results in a timely, cost-effective resolution.

Status: Referred to House Committee on Labor, Commerce and Industry

H. 4460 – SOLAR PANELS

SC LAC is [monitoring](#) this legislation, which states that a restrictive covenant, declaration, rule, contractual provision, or other provision concerning the installation and utilization of a solar energy system found in a deed, contract, lease, rental agreement, or the governing documents of a homeowners' association may not prohibit or have the effect of prohibiting the installation and utilization of a solar energy system that cannot be seen from the street or a common area surrounding a residence.

SC LAC has concerns that solar companies sweeping through HOA communities installing systems may ignore the provisions of this bill if it becomes law or the aesthetic requirements set forth by HOAs.

This bill aligns with [CAI's public policy on Conservation, Sustainability, and Green Issues](#), allowing a homeowners' association to require reasonable design accommodations to ensure that a solar energy system is installed in a manner that is consistent with the aesthetic requirements applicable to all homeowners' association members.

Status: Referred to House Committee on Labor, Commerce and Industry

H. 3447 – FORECLOSURE BY COMMUNITY ASSOCIATIONS

SC LAC **supports** this legislation, which would make it so that any homeowners association with the authority granted in by law or its governing documents to foreclose on the property of a homeowners association member must in the case of a default by a defendant property owner make application for a rule to show cause to be issued to the defendant property owner. Under this legislation, no foreclosure sale may be noticed prior to the issuance of the rule to show cause.

The author of this bill in 2023 proposed to prohibit HOAs from foreclosing altogether. SC LAC worked with key lawmakers in the House to agree to requiring a rule to show cause to provide one extra step before foreclosure can be noticed. Courts in several SC counties already use this procedure without a statutory requirement. SC LAC, however, contends that a rule to show cause is unnecessary and will increase the cost of collections.

The bill also clarifies a section of the HOA Act that the annual statutory court filing of rules and regulations by January 10th will only be necessary if amendments have been made since the previous filing. Some HOAs have been annually filing the same rules, incurring unnecessary time and expenses.

Per [CAI's public policy on Foreclosures by Community Associations to Collect Delinquent Assessments](#), CAI endorses legislation that provides a fair and equitable process for the foreclosure of association liens for common expense assessments that protects homeowners, property values, and the financial health of community associations by ensuring foreclosures by community associations are completed in a timely and reasonable manner. CAI believes that foreclosure should be a final resort after other

reasonable attempts have been made to compel owners to fulfill their obligations to the association.

Status: Amended and passed House, Referred to Senate Committee on Judiciary

H. 3753 - AMATEUR RADIO ANTENNA PROTECTION ACT

SC LAC **opposes** this legislation, which would disallow a county from enacting or enforcing an ordinance that fails to conform to the Amateur Radio Preemption issued by the Federal Communications Commission. Under this legislation, an ordinance adopted by a county with respect to amateur radio antennas must conform to the Amateur Radio Preemption which states that local ordinances that involve placement, screening, or height of antennas based on health, safety, or aesthetic considerations must be crafted to reasonably accommodate amateur communications and to represent the minimum practicable regulation to accomplish the local authority's legitimate purpose. To preserve property values and keep residents safe, community associations must be able to establish necessary rules and regulations on residents' installation and use of amateur radio antennas on personal property.

Status: Referred to House Committee on Labor, Commerce and Industry

H. 3425 – HOA BUDGETS AND NON-BUDGET EXPENSES

SC LAC **opposes** this legislation, which would establish certain financial disclosure requirements for HOAs in South Carolina. This bill would require a board of a homeowners association to send a copy of its annual operating budget to each homeowner and the Department of Consumer Affairs no later than 10 days after the beginning of the fiscal year and an updated budget quarterly. It would also prohibit an HOA from paying utility bills on behalf of a homeowner. The bill requires boards to notify homeowners within 48 hours of when an HOA may take action to raise the budget or spend funds outside of the budget in any single year and lays guidelines to require quorum of homeowners to be present to approve said expenditures. The bill does not allow for any emergencies to be addressed by a board without a meeting of owners. An association board requires the ability to increase association budgets and assessments to effectively run a community and may make the informed decision to do so based on a number of factors. Associations could experience administrative burdens due to the legislation's requirement that boards file a copy of the annual operating budget and the quarterly updated copies of the annual operating budget

with the Department of Consumer Affairs, which has no statutory authority to review HOA budgets.

Status: Referred to House Committee on Labor, Commerce and Industry

H. 3861/S. 442 – SHORT-TERM RENTALS

SC LAC **opposes** this legislation, which would disallow a governing body of a municipality, county, or other political subdivision from enacting or enforcing an ordinance, resolution, or regulation that prohibits the rental of a residential dwelling to a short-term guest (H. 3861). S. 442 would allow local governments to prohibit short-term rentals of residential dwellings. While these bills do not directly address HOAs, SC LAC is concerned that, once such bills are enacted, HOAs might become the next target.

This legislation runs counter to [CAI's public policy on Short-Term \(Vacation\) Rentals](#). The nature of short-term rentals is not intuitively harmonious with the community association housing model, which focuses on bringing people together, strengthening neighborhood bonds, and promoting a sense of community and belonging. Homeowner volunteers, who are elected by their neighbors to set policies and oversee association operations, and to act in the best interest of the community, are the center of community association governance. A board of directors, with input from homeowners, is in the best position to decide whether short-term rentals are appropriate for their community and is the appropriate governing body to craft suitable policies. This is assuming the association's governing documents allow or could be amended to permit short-term rentals to reflect the preferences of homeowners.

Status: H. 3861 Referred to House Committee on Medical, Military, Public and Municipal Affairs; S. 442 Referred to Senate Committee on Judiciary

S. 366 – DISPLAY OF FLAGS

SC LAC is **monitoring** this legislation, which would amend current statutes to expand upon the list of flags that homeowners may display on their property. Specifically, this bill would add allowance for up to 2 portable, removable flags, including military flags, POW/MIA flags, and first responder flags. This is similar to legislation that has been introduced in past legislative sessions.

The bill also prohibits foreclosures by HOAs, requires homeowners to inspect and copy all contracts entered on behalf of an HOA, and requires annual budgets to disclose any funds paid to board members.

Status: Referred to Senate Committee on Judiciary

H. 3235 – COASTAL STRUCTURAL INTEGRITY STUDY

SC LAC is [monitoring](#) this legislation, which would establish a study committee to examine current measures for inspecting commercial buildings that are six floors or more in height constructed along the South Carolina coast and on the Charleston peninsula to evaluate their structural soundness. The committee would determine whether such measures are adequate or whether additional measures, such as period reinspections, should be required, the standards for such reinspections, and measures to be taken when buildings are determined to be structurally unsafe following a reinspection. Particular emphasis would be placed on ensuring regular occupants of such buildings are made aware of such inspections, their results, and related recommendations for improvements.

Status: Referred to House Committee on Labor, Commerce and Industry

S. 68 – POLITICAL SIGNS

SC LAC is [monitoring](#) this legislation, which has to do with the display of political signs in community associations. Under this legislation, regardless of a restrictive covenant, declaration, rule, contractual provision, or other requirement found in a deed, contract, lease, rental agreement, or homeowners association document, a homeowner or tenant would be permitted to display a political sign on the premises of the property they are entitled to use, excluding common areas accessible to all members of the community, during the period beginning thirty days before and ending five days after the date of the election to which the sign relates. The legislation allows community associations to set reasonable rules and regulations on the size, number, location, and placement of political signs and to remove a sign that violates the rules.

Per [CAI's public policy on Political and Non-Commercial Signs](#), CAI supports legislation that recognizes the core principle of self-governance, self-regulation, and co-ownership of common property and the community association housing model balanced with owners' rights of free speech. Because each association is unique, legislation should allow an association to develop reasonable rules and regulations concerning the time, location,



materials, size, number, and manner of where political signs or other political displays and/or political activities and noncommercial signs are located within the community, while preserving the freedom of political expression. CAI encourages the adoption of reasonable guidelines that allow the use of signs to express political speech that are subject to reasonable time, manner, and place restrictions.

Status: Referred to Senate Committee on Judiciary

H. 3908 – MULTIFAMILY DWELLING SAFETY ACT

SC LAC is [monitoring](#) this legislation, which would require the South Carolina Department of Labor, Licensing, and Regulation to promulgate regulations adopting a Multifamily Dwelling Balcony Code to set minimum standards for balcony railings that are primarily constructed of wood and are located in multifamily dwellings. The Multifamily Dwelling Balcony Code would apply to residential structures used for human habitation, excluding owner occupied housing units and other housing exempted by the department through regulation. The bill specifies that "multifamily dwelling" does not include a condominium or other property subject to the Horizontal Property Act.

Status: Referred to House Committee on Labor, Commerce and Industry



SOUTH CAROLINA
LEGISLATIVE ACTION COMMITTEE
Community Associations Institute

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