

2026 South Carolina Legislative Session Report



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Community Associations Institute (CAI) and the South Carolina Legislative Action Committee (SC LAC) spent this legislative session advocating on behalf of [approximately 1,412,000 South Carolinians living in 585,000 homes in more than 7,500 community associations](#). SC LAC effectively spread positive messaging about community associations, highlighting public education efforts on why CAI members and others love living and working in their communities across the state. This outreach was especially critical after the publication of a complaints report by South Carolina’s Department of Consumer Affairs. SC LAC helped key decisionmakers recognize that, despite pervasive media coverage, complaints from community association residents are not on the rise.

Legislative Overview

The South Carolina General Assembly operates on a two-year legislative session cycle. South Carolina’s 2026 legislative session – the second year of this General Assembly - began on January 13 and concluded on May 14. All pending bills from 2025 carried over into the 2026 legislative session. [Learn more about SC LAC’s work in 2025.](#)

During this legislative session, CAI tracked nearly 60 bills in South Carolina with the potential to impact community associations across the state, including 40 bills introduced in 2025. Below are the highlights from 2026:

STATE GOVERNMENT AGENCY ACTIONS

PROPOSED 5% ADMISSIONS TAX ON HOAs WITH AMENITIES

SC LAC **opposed** a Revenue Ruling proposing to impose a 5% admissions tax on that portion of HOA fees that go towards the expenses for “certain benefits, including the entrance to and use of places of amusement (i.e., tennis courts, swimming pools, golf courses, fitness centers, community clubhouses, etc.)” SC LAC notified the SC Department of Revenue of its opposition to the proposed ruling and various industry

advocates met with agency staff to educate the officials on the community association housing model.

Status: Successfully withdrawn.

Priority Legislation From 2026

CAI Legislative Action Committees (LACs) **supports** legislation that aligns with [CAI's public policy positions](#) and **opposes** legislation that does not. If a LAC believes it may need to consider or adopt any legislative or regulatory position that would conflict with these official positions, it must submit a request for a deviation to be considered by CAI's Government & Public Affairs Committee and/or Board of Trustees

S. 903 – HOA Change

This legislation sought to amend South Carolina law to require that certain governing documents, such as declarations, master deeds, bylaws, and amendments, be recorded with notarized signatures in the appropriate local government office to remain enforceable. Under this legislation, documents must be recorded by January 10 of the year following their adoption or amendment. The Senate amended the bill before various stakeholders could meet, resulting in the amended bill conflicting with certain existing statutes and posing other problems related to filing documents.

Status: Bill passed Senate with amendments, successfully died in House Committee.

H. 5204 – Homeowners Associations

SC LAC **opposed** this legislation, which would have enforced a plethora of new regulations and oversight for community associations. This massive bill would have introduced association dissolution procedures, fee caps on documents, webpage requirements, unnecessary election procedures, additional meeting requirements and timelines, as well as requiring a member list be available with contact information. Introduced in the final two months of session, without stakeholder engagement, this sweeping legislation would have negatively impacted associations across South Carolina.

Status: Bill successfully died in committee.

CAI MONITORED THE BELOW BILLS

CAI LACs monitor legislation with the potential to impact those living and working in community associations across their state, as well as legislation that may indirectly or unintentionally impact community associations.

H. 5068 – Political Signs

SC LAC [monitored](#) this legislation, which would have allowed homeowners and tenants in South Carolina to display political signs on their properties from thirty days before an election to five days after, excluding common areas. As written, the legislation maintained an association’s right to establish and enforce reasonable rules governing political signs, such as size, number, location, and timing, provided they meet specified criteria. Associations would also have been permitted to remove signs that do not comply with these rules.

According to its [public policy on political and non-commercial signs](#), CAI encourages the self-governance and regulation of political and non-commercial signs in community associations. 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: Bill died in committee.

H. 4579 – Balcony Solar Panels

SC LAC [monitored](#) this legislation, which proposed amendments to South Carolina law to ensure that no deed, covenant, or homeowners association document could prohibit the installation of balcony solar panels. Under this legislation, associations may have established reasonable design accommodations to ensure that a balcony solar panel was installed in a manner consistent with the aesthetic requirements applicable to all homeowners association members. This bill aligned with CAI’s [public policy on Conservation, Sustainability, and Green Issues](#). CAI supports efforts by state legislatures to empower community associations to build consensus-based solutions regarding environmental initiatives and opposes government and interest group efforts to override community policy or deed restrictions on single interest issues.

Status: Bill died in committee.

H. 5535 – Fire Sprinklers in Multi-Family Dwellings

SC LAC [monitored](#) this legislation, which sought to mandate the installation of fire sprinkler systems in all newly constructed multi-family dwellings in South Carolina permitted after July 1, 2026. It would have required the State Fire Marshall to establish regulations specifying the appropriate types of sprinkler systems for these dwellings. SC LAC monitored this legislation as retrofitting requirements could be costly for community associations to implement and could impact association budgeting and reserves.

Status: Bill died in committee.

H. 5522 - Homeowner Contract Transparency and Fair Dispute Resolution Act

SC LAC **monitored** this legislation, which would have required all sellers in residential real estate transactions in the state to provide buyers with all purchase documents, including any dispute resolution clauses or legal waivers, well in advance of closing. This bill would have taken effect upon approval by the Governor and applied to residential real estate transactions entered into on or after that date. SC LAC monitored the bill for potential impacts on procedures for addressing community association disputes.

[CAI recognizes the need for and supports the use of fair alternative dispute resolution mechanisms](#) to resolve disputes arising in community associations, particularly in appropriate cases where such measures can facilitate efficient and equitable 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: Bill died in committee.

Key Bills Carried Over From 2025

As the South Carolina General Assembly operates on a two-year legislative session cycle, all pending bills from 2025 carried over into the 2026 legislative session. [Learn more about SC LAC's work in 2025.](#)

H. 4006 – Open HOA Board Meetings

SC LAC **opposed** this legislation, which would have required 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 would have allowed recordings of meetings, political signs, and the flying of both SC and US flags. Fines for vehicles with expired license tags would have been prohibited.

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 have violated state and federal privacy laws. Compliance with this legislation would have imposed administrative and financial burdens on association boards.

This legislation was 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 would have contradicted 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: Bill successfully died.

H. 3753 – Amateur Radio Antenna Protection Act

SC LAC **opposed** this legislation, which would have disallowed a county from enacting or enforcing an ordinance failing to conform to the Amateur Radio Preemption issued by the Federal Communications Commission. Under this legislation, an amateur radio antenna related ordinance adopted by a county needed to conform to the Amateur Radio Preemption. This Preemption states that local ordinances involving placement, screening or height 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: Bill successfully died.

H. 3425 – HOA Budgets and Non-Budget Expenses

SC LAC **opposed** this legislation, which would have established certain financial disclosure requirements for HOAs in South Carolina. This bill would have required a homeowner's board 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, as well as submit an updated budget quarterly. It would have prohibited an HOA from paying utility bills on behalf of a homeowner. The bill would have required 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 laid guidelines requiring a homeowner's quorum to approve said expenditures. The bill did not allow 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 require the flexibility to make informed decisions to do so. Associations would have experienced administrative burdens due to the legislation's

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

Status: Bill successfully died.

H. 3861 / S. 442 – Short-Term Rentals

SC LAC **opposed** this legislation, which would have disallowed a municipality, county, or other political subdivision from prohibiting the rental of a residential dwelling to a short-term guest (H. 3861). S. 442 would have allowed local governments to prohibit short-term rentals of residential dwellings and while these bills do not directly address HOAs, SC LAC was concerned that, if such bills are enacted, HOAs might become the next target.

Both pieces of legislation ran 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. 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.

Status: Both bills successfully died.

H. 3447 - Foreclosure by Community Associations

SC LAC **supported** this legislation, which would have made it so any homeowners association with foreclosure authority granted by law or governing documents 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. In 2023, this same bill author proposed to prohibit HOAs from foreclosing altogether. SC LAC engaged with key House lawmakers on a compromise to provide an additional step prior to a foreclosure notice. SC LAC contends that this type of rule to show cause would increase the costs of collection, however, courts in several SC counties already use this procedure without a statutory requirement.

The bill sought to clarify the HOA Act so the annual statutory court filings of rules and regulations would only be necessary if there were amendments since the previous filing. Per [CAI's public policy on Foreclosures by Community Associations to Collect Delinquent Assessments](#), CAI endorses legislation providing a fair and equitable process for the foreclosure of association liens for common expense assessments. To protect homeowners, property values, and the financial health of community associations,

foreclosures by community associations should be 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: Bill died in 2026 after passing House in 2025.

S. 244 – Tort Reform/Construction Defect Legislation

SC LAC **opposed** the original version of this bill, which addressed tort reform and construction defects. SC LAC highlighted the bill's potential unintended consequences that would have undermined the ability of homeowners, HOAs, and condominiums to protect themselves and their homes. Specifically, Section 6 of the original bill, which amends 15-3-670(B) of the SC Code, would have greatly impaired 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.

Status: Bill died in committee after being successfully amended and passing Senate in 2025.

H. 3350 – Amend the HOA Act, Dispute Resolution

SC LAC **opposed** this legislation, which was 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 sought to mandate internal dispute resolution processes for HOAs and outline minimum requirements, require minimum of 48-hour notice of all meetings, set forth changes in voting provisions, and require responses to complaints filed with DCA to include copies of relevant portions of documents supporting responses. SC LAC considered [amendments](#) even for the sections of the legislation it supported to help it better align with CAI's public policies.

SC LAC **opposed** Section 5 which would have required magistrates court to adjudicate all matters between homeowners and HOAs. Such a requirement would have placed an excessive burden on magistrates court, and internal dispute resolution processes by all HOAs as proposed by Section 4 of the bill. If the magistrates court provision were implemented, legal fees and other costs to community associations would increase.

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: Successfully died in committee.

Get Involved in CAI's South Carolina Advocacy Work through Your Local Chapter!

CAI has 65 chapters worldwide, including Canada, the Middle East, and South Africa. CAI chapters provide information, resources, education programs and best practices designed to help you and your communities throughout Iowa thrive. This includes a chapter in South Carolina.

Not a member yet? Join a growing global network of more than 51,000 community managers, management company executives, homeowner leaders, and business partners, and open up a world of opportunities for professional growth, networking and industry knowledge.

Learn more and join today at <https://www.cai-sc.org/>

<p>Track SC Legislation</p> <p>CAI tracks legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the clock here.</p>	<p>CAI SC Legislative Resources and Contact Information</p> <p>South Carolina Legislative Resources CAI Advocacy Community Associations Institute - (888) 224-4321 - government@caionline.org CAI South Carolina Chapter</p>
<p>Support and Donate Today</p> <p>CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in South Carolina. Learn More & Donate Today by Selecting “South Carolina.”</p>	
<p>Tell Us Why You Advocate:</p> <p>We’re inviting CAI advocates across the county to share <i>your why</i>: why do you advocate for policy changes on behalf of the people who live and work in community associations? Through our Action Center, CAI is gathering stories and testimonials to share with legislators and the public. Your story helps highlight the positive impact, the real experiences, and the strong communities that define community associations.</p>	
<p>Register for CAI’s 2026 Congressional Advocacy Summit - Sept. 24 in Washington, D.C.</p> <p>This exclusive members-only event brings together industry leaders and advocates to engage directly with members of Congress and their staff. As the premier advocacy event of the year for the community association housing model, CAI’s Advocacy Summit offers a unique opportunity to meet face-to-face with federal lawmakers and help shape public policy impacting the industry.</p> <p>Learn More and Register</p>	

Review CAI’s Public Policy Positions



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www.caionline.org/Ambassadors