SC HOMEOWNERS ASSOCIATION ACT



The **Homeowners Association Act** applies to communities and horizontal property regimes requiring homeowners to pay assessments. The law requires governing documents to be filed, provides certain meeting notice requirements and access to association budget and membership lists.

The law also requires Department of Consumer Affairs (DCA) to collect specific data on HOA complaints, compile and share it with the Governor and the General Assembly each year.

FILING REQUIREMENT — GOVERNING DOCUMENTS, RULES, REGULATIONS & AMENDMENTS:

Any governing documents existing before the Homeowners Association Act became effective (5/17/2018) must have been recorded in the county <u>clerk of court's</u>, Register of Mesne Conveyance, or <u>Register of Deeds</u> office by January 10, 2019 to be enforceable. New or amended governing documents, rules and regulations must also be filed in the county by January 10th of each year following their adoption or amendment. Governing documents includes the HOA declaration, master deeds and bylaws.

HOMEOWNERS ACCESS TO DOCUMENTS:

Rules, regulations & amendments — HOAs must make rules, regulations and their amendments available to members upon request, unless they are:

- Posted in a conspicuous place in a common area in the community; OR
- Available on a webpage maintained by the HOA, where the member can download them.

When responding to a request, the association may send the items via email or through methods provided in the HOA's bylaws.

Budget & Membership lists — All HOAs are subject to certain access to documents requirements in the <u>SC Nonprofit Corporation Act</u> for the purpose of letting homeowners inspect and copy the association's budget and membership lists.

MEETING NOTICE REQUIREMENT — BUDGET INCREASE:

Associations other than those incorporated under the <u>SC Nonprofit Corporation Act</u> must provide homeowners notice 48 hours in advance of the meeting in which a decision to raise the annual budget is made. Notice may be through posting:

- In conspicuous place in a common area in the community;
- On an Internet website maintained by the homeowners association;
- By electronic mail; or
- Through methods provided in the association's bylaws that ensure actual notice.

SC HOA ACT CONTINUED...

DISCLOSURE FOR HOMEBUYERS:

A seller must let the purchaser know if the property is part of a homeowners association. This is done through the "<u>South Carolina Residential Property Disclosure Statement</u>" produced by the SC Department of Labor, Licensing and Regulation. The form can be found on their website at <u>www.llr.sc.gov</u>.

MAGISTRATE'S COURT:

The Magistrate's Court may hear monetary disputes involving a HOA if the amount in issue does not exceed \$7,500.

COMPLAINT PROCESSING AND REPORTING — DEPARTMENT OF CONSUMER AFFAIRS:

The Department of Consumer Affairs is to take and collect specific data on <u>HOA complaints</u>, compile and share the data with the Governor and the General Assembly each year. The law specifically prohibits the agency from serving as an arbiter of disputes.

FOR MORE HOA INFORMATION, VISIT CONSUMER.SC.GOV.









Please note, this material is for informational purposes only, is general in nature, and is not intended to and should not be relied upon or construed as a legal opinion or legal advice regarding any specific issue or factual circumstance.

