**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 27‑30‑135 SO AS TO ESTABLISH CERTAIN FINANCIAL DISCLOSURE REQUIREMENTS; BY ADDING SECTION 27‑30‑137 SO AS TO PROHIBIT A HOMEOWNERS ASSOCIATION FROM PAYING UTILITY BILLS ON BEHALF OF THE HOMEOWNER; AND TO AMEND SECTION 27‑30‑140, RELATING TO NOTICE REQUIREMENTS FOR A HOMEOWNERS ASSOCIATION’S BUDGET, SO AS TO REQUIRE A HOMEOWNERS ASSOCIATION TO PROVIDE NOTICE TO HOMEOWNERS BEFORE IT MAY TAKE ACTION TO SPEND FUNDS NOT PROVIDED FOR IN THE BUDGET AND TO REQUIRE A QUORUM OF HOMEOWNERS TO BE PRESENT AT THE MEETING TO APPROVE THE EXPENDITURE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 30, Title 27 of the 1976 Code, as added by Act 245 of 2018, is amended by adding:

“Section 27‑30‑135. (A) The board of a homeowners association must send a copy of its annual operating budget to each homeowner no later than ten days after the beginning of the fiscal year.

(B) No later than ten days after the end of the first, second, or third quarter of a fiscal year, the board must send an updated copy of the annual operating budget to each homeowner showing:

(1) an itemized list of all expenditures made in the fiscal year; and

(2) the amount of funds collected as fines and the allocation of these funds.

(C) The board must file a copy of the annual operating budget and the quarterly updated copies of the annual operating budget with the Department of Consumer Affairs. The department must retain these records for no less than five years.

(D) A homeowners association that fails to provide the copies of the annual operating budget to the homeowner may be subject to an enforcement action by a homeowner. A homeowners association found to be in violation will be responsible for actual damages to the homeowner and responsible for the homeowner’s legal fees.

Section 27‑30‑137. Effective July 1, 2021, a homeowners association may not control the utilities of the homeowners and must transfer the control over the utility service to the homeowner.”

SECTION 2. Section 27‑30‑140 of the 1976 Code, as added by Act 245 of 2018, is amended to read:

“Section 27‑30‑140. (1) Before a homeowners association may take action to increase an annual budget in any single year, the homeowners association must provide notice to homeowners at least forty‑eight hours in advance of the meeting in which a decision to raise the annual budget is made. Notice of the meeting may be through posting notice:

(a) in a conspicuous place in a common area in the community;

(b) on an Internet website maintained by the homeowners association;

(c) by electronic mail; or

(d) through methods provided in the association’s bylaws that ensure actual notice.

(2) Before a homeowners association may take action to spend funds not provided for in the approved budget in any single year, the homeowners association must provide notice to homeowners at least forty‑eight hours in advance of the meeting in which a decision to spend the funds not provided for in the approved budget is made. A quorum of homeowners must be present at the meeting to approve of the expenditure. Notice of the meeting may be through posting notice:

(a) in a conspicuous place in a common area in the community;

(b) on an Internet website maintained by the homeowners association;

(c) by electronic mail; or

(d) through methods provided in the association’s bylaws that ensure actual notice.

(3) A homeowners association that fails to provide adequate notice to the homeowner may be subject to an enforcement action by a homeowner. A homeowners association found to be in violation will be responsible for actual damages to the homeowner and responsible for the homeowner’s legal fees.

(4) The provisions of this section do not apply to a homeowners association that is incorporated under the South Carolina Nonprofit Corporation Act found in Chapter 31, Title 33.”

SECTION 3. This act takes effect upon approval by the Governor.

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