**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 27‑31‑165 SO AS TO PROVIDE THE CREATOR OF A HORIZONTAL PROPERTY REGIME WHO CEASES TO OWN AT LEAST FIVE PERCENT OF THE VALUE OF A STAGE OF THE REAL PROPERTY INCLUDED IN THE REGIME MAY NOT DESIGNATE THE ADMINISTRATOR, BOARD OF ADMINISTRATION, OR OTHERWISE CONTROL ANY OTHER FORM OF ADMINISTRATION OF THAT STAGE OF THE REGIME, TO DEFINE THE TERM “STAGE” IN THE CONTEXT OF THIS SECTION, AND TO PROVIDE THE ANNEXATION OF ADDITIONAL PROPERTY MAY NOT EXPAND A STAGE FOR THE PURPOSE OF ENABLING THE PERSON WHO ESTABLISHED THE HORIZONTAL PROPERTY REGIME TO MAINTAIN A FIVE PERCENT OR GREATER OWNERSHIP OF THE STAGE AS SPECIFIED IN THE MASTER DEED; AND TO AMEND SECTION 27‑31‑300, RELATING TO THE EFFECTS OF THE HORIZONTAL PROPERTY ACT ON CONTRACTS ENTERED BEFORE A CERTAIN DATE, SO AS TO PROVIDE AN EXEMPTION.

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

SECTION 1. Article 1, Chapter 31, Title 27 of the 1976 Code is amended by adding:

“Section 27‑31‑165. When a person who creates and establishes a horizontal property regime pursuant to this chapter ceases to own at least five percent of the value of a stage of the real property included in the regime, he may not by bylaw or otherwise designate the administrator of that stage of the horizontal property regime, a majority of the members of a board of administration of that stage of the horizontal property regime, or otherwise control any other form of administration of that stage of the horizontal property regime. For the purposes of this section, a ‘stage’ means an original or future portion of the development of a horizontal property regime as specified in the master deed as provided in Section 27‑31‑250(g). The annexation of additional property may not expand a stage for the purpose of enabling the person who established the horizontal property regime to maintain a five percent or greater ownership of the stage as specified in the master deed.”

SECTION 2. Section 27‑31‑300 of the 1976 Code is amended to read:

“Section 27‑31‑300. Except for the provisions in Section 27‑31‑165, the provisions of this chapter ~~shall~~ may in no way impair, alter, or revise ~~any~~ a contract entered into with regard to horizontal properties or condominiums prior to June 6, 1967.”

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

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