**South Carolina General Assembly**

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**STATUS INFORMATION**

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Summary: Internal dispute resolution

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 12/5/2024 House Prefiled

 12/5/2024 House Referred to Committee on **Labor, Commerce and Industry**

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**VERSIONS OF THIS BILL**

[12/05/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/3350_20241205.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 27‑30‑120, RELATING TO THE SOUTH CAROLINA HOMEOWNERS ASSOCIATION ACT DEFINITIONS, SO AS TO ADD DEFINITION OF “INTERNAL DISPUTE RESOLUTION PROCESS”; BY AMENDING SECTION 27‑30‑140, RELATING TO ANNUAL BUDGET INCREASES, SO AS TO PROVIDE FOR CERTAIN NOTICES FOR HOLDING MEETINGS; BY AMENDING SECTION 27‑30‑150, RELATING TO APPLICATION OF ACCESS TO DOCUMENTS PROVISIONS, SO AS TO PROVIDE FOR PROVISIONS THAT APPLY TO CERTAIN HOMEOWNERS ASSOCIATIONS; BY ADDING SECTION 27‑30‑155 SO AS TO PROVIDE THAT HOMEOWNERS ASSOCIATIONS SHALL ESTABLISH AN INTERNAL DISPUTE RESOLUTION PROCESS; BY AMENDING SECTION 27‑30‑160, RELATING TO JURISDICTION OF MAGISTRATES COURT, SO AS TO PROVIDE THAT THE MAGISTRATES COURT HAS JURISDICTION OVER ALL MATTERS BETWEEN A HOMEOWNER AND A HOMEOWNERS ASSOCIATION; AND BY AMENDING SECTION 27‑30‑340, RELATING TO COMPLAINTS FROM HOMEOWNERS OR HOMEOWNERS ASSOCIATIONS, SO AS TO PROVIDE THAT COPIES OF CERTAIN DOCUMENTS MUST BE INCLUDED IN COMPLAINTS.

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

SECTION 1. Section 27‑30‑120 of the S.C. Code is amended to read:

 Section 27‑30‑120. As used in this article:

 (1) “Board” means the representative body, regardless of name, designated in the governing documents to act on behalf of a homeowners association and govern the association.

 (2) “Declarant” means a person or group of persons acting in concert who:

 (a) as part of a common promotional plan, subdivide and offer to dispose of an interest the person or group has in a unit in real property; or

 (b) reserve or succeed to a special declarant right, which means a right created under the declaration or bylaws for the person or group to retain or exercise authority in addition to regular declarant rights in a unit of real property.

 (3) “Declaration” means the recorded instruments, however denominated, that create a homeowners association, including amendments to those instruments.

 (4) “Governing documents” means declaration, master deeds, or bylaws, or any amendments to the declaration, master deeds, or bylaws.

 (5) “Homeowner” means a declarant or other person who owns a unit in a homeowners association, but does not include a person having an interest in such a unit solely as security for an obligation.

 (6) “Homeowners association” or “association” means an entity developed to manage and maintain a planned community or horizontal property regime for which there is a declaration requiring a person, by virtue of his ownership of a separate property within the planned community or horizontal property regime, to pay assessments for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements and other real estate described in that declaration. A “homeowners association” or “association” does not include a vacation time sharing plan organized and subject to the provisions of Chapter 32.

 (7) “Homeowners association management company” means a corporation, limited liability company, partnership, trust, association, sole proprietorship, or other similar organization engaging in the business of managing homeowners associations.

 (8) “Internal dispute resolution process” means a fair, reasonable, and expeditious procedure within a homeowners association for resolving a dispute between the homeowners association and homeowners involving rights, duties, or liabilities under the homeowners association’s governing documents, covenants, conditions, and restrictions.

 (8)(9) “Unit” means an apartment in a horizontal property regime, or a lot in a subdivision.

SECTION 2. Section 27‑30‑140 of the S.C. Code 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, or hold a regular or special meeting, 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 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) 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. Section 27‑30‑150 of the S.C. Code is amended to read:

 Section 27‑30‑150. (A) The following provisions apply to all homeowners associations not subject to the South Carolina Nonprofit Corporations Act:

 (1) Thethe access to documents provisions of Sections 33‑31‑1602, 33‑31‑1603, 33‑31‑1604, and 33‑31‑1605 apply to all homeowners associations not subject to the South Carolina Nonprofit Corporation Act for the purposes of allowing homeowners access to inspect and copy a homeowners association’s annual budget and homeowners membership lists.; and

 (2) the voting provisions of Sections 33‑31‑708, 33‑31‑721, 33‑31‑722, 33‑31‑723, and 33‑31‑724.

SECTION 4. Article 1, Chapter 30, Title 27 of the S.C. Code is amended by adding:

 Section 27‑30‑155. (A) A homeowners association shall establish an internal dispute resolution process that, at a minimum includes the following:

 (1) a written request must be received to begin the internal dispute resolution process;

 (2) if the process is initiated by a homeowner, the association must participate;

 (3) any resolution of the dispute agreed to by the homeowner and the homeowners association must be in writing and signed by both parties; and

 (4) a member may not be charged a fee to participate in the internal dispute resolution process.

 (B) A homeowners association must provide a description of the association’s internal dispute resolution process to homeowners annually. The description may be provided through mail, on an internet website maintained by the homeowners association, by electronic mail, or through methods provided in the association’s bylaws.

SECTION 5. Section 27‑30‑160 of the S.C. Code is amended to read:

 Section 27‑30‑160. Pursuant toNotwithstanding Section 22‑3‑10, the magistrates court shall have concurrent jurisdiction to adjudicate monetary disputes arising under this article, provided the dispute meets the jurisdictional requirements of Section 22‑3‑10all matters between a homeowner and a homeowners association.

SECTION 6. Section 27‑30‑340(C) of the S.C. Code is amended to read:

 (C)(1) Upon receiving a homeowner’s or homeowners association’s complaint, the department shall provide the complaint to the homeowners association or the homeowner complained against in a manner that verifies receipt of such complaint by the homeowners association or homeowner, so the homeowner, board, or homeowners association may determine if the homeowner, board, or homeowners association desires to make a response to the complaint.

 (2) A homeowners association or homeowner filing a response to a complaint involving a dispute related to governing documents, covenants, conditions, or restrictions, must include copies of the relevant portions of such documents that support the response to the department.

SECTION 7. This act takes effect upon approval by the Governor.

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