COMMITTEE REPORT

April 29, 2015

**S. 679**

Introduced by Senators Hembree, Rankin, Coleman and Johnson

S. Printed 4/29/15--S.

Read the first time April 16, 2015.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Concurrent Resolution (S. 679) to create a “Study Committee on Homeowners Associations” to review laws, policies, practices, and procedures from this State and other jurisdictions regarding, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the concurrent resolution, as and if amended, page 2, by striking lines 3 through 18, as inserting therein the following:

/ (3) the following members jointly selected by the Senate Judiciary Committee Chairman and House Judiciary Committee Chairman:

(a) three members of a homeowners association;

(b) one lawyer;

(c) one manager;

(d) one realtor;

(e) one developer, and /

Renumber sections to conform.

Amend title to conform.

Majority favorable. Minority unfavorable.

LUKE A. RANKIN LEE BRIGHT

For Majority. For Minority.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

The bill will have minimal expenditure impact to the general fund which can be absorbed by the agencies. There is no impact to federal funds and other funds.

**Explanation of Fiscal Impact**

**State Expenditure**

The bill creates the “Study Committee on Homeowners Associations” to review laws, policies, practices, and procedures regarding homeowners associations. The committee will make recommendations to the General Assembly regarding proposals for statutory law.

**The House of Representatives, The Senate, the Department of Labor, License and Regulation, and the Department of Consumer Affairs.** All agencies reports that any costs associated with participation in the committee can be absorbed by the agencies.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **CONCURRENT RESOLUTION**

TO CREATE A “STUDY COMMITTEE ON HOMEOWNERS ASSOCIATIONS” TO REVIEW LAWS, POLICIES, PRACTICES, AND PROCEDURES FROM THIS STATE AND OTHER JURISDICTIONS REGARDING HOMEOWNERS ASSOCIATIONS, AND TO MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY FOR SOUTH CAROLINA’S STATUTORY LAW.

Be it resolved by the Senate, the House of Representatives concurring:

There is created the “Study Committee on Homeowners Associations” to review laws, policies, practices, and procedures regarding homeowners associations in this State and other jurisdictions, and to make recommendations to the General Assembly regarding proposals for South Carolina’s statutory law. The Study Committee shall review information, including, but not limited to, case law, statutes, uniform laws, and other information from South Carolina and other jurisdictions concerning homeowners associations. Specifically, the Study Committee is authorized, but not limited to, reporting on the following issues:

(1) disclosure of governing documents to prospective buyers;

(2) education for homeowners and board members;

(3) manager certification or licensing;

(4) time period for developer control of an association; and

(5) need for a comprehensive or uniform planned community act.

The Study Committee must be composed of thirteen members:

(1) two members of the Senate, appointed by the Senate Judiciary Committee Chairman;

(2) two members of the House of Representatives, appointed by the House Judiciary Committee Chairman;

(3) the following members jointly selected by the Senate Judiciary Committee Chairman and House Judiciary Committee Chairman:

(a) two property owners who are:

(1) required to be members of a homeowners association due to owning property in the homeowners association; and

(2) governed by a homeowners association board;

(b) two lawyers, one representing homeowners associations and boards and the other representing homeowners, based upon recommendations of the South Carolina Bar;

(c) two managers, one in favor of certification or licensing and one opposed to certification or licensing, based upon the recommendations of the Community Association Institute and the Home Builders Association;

(d) one developer, based upon the recommendations of the Home Builders Association; and

(4) the administrator for the Department of Consumer Affairs and the Director for the Department of Labor, Licensing and Regulations, or their designees, serving ex officio.

Vacancies in the Study Committee’s membership must be filled for the remainder of the unexpired term in the manner of original appointment.

The Chairmen of the Senate and House Judiciary Committees shall provide appropriate staffing for the Study Committee.

Be it further resolved that the Study Committee shall make a report of its recommendations to the General Assembly by December 31, 2015, at which time the Study Committee must be dissolved.

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