



From the Dome to Your Home

Legislative Report

2026 session of the 126th General Assembly



Municipal Association
of South Carolina

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The second year of the 2025-2026 legislative session was gaveled to a close on May 14, 2026. Because legislators did not adopt a sine die, or adjournment, resolution, Gov. Henry McMaster called the General Assembly back in session the following day to debate congressional redistricting. The House of Representatives adopted a new congressional redistricting plan, but that plan failed to get the needed votes in the Senate, ultimately stopping the effort.

Legislators returned to Columbia on June 25 to debate conference committee reports.

The State Budget

The budget conference committee initially met on June 2 to begin debating the state appropriations bill and met for a second time on June 30.

The budget conferees are Sens. Harvey Peeler (R-Cherokee), Brad Hutto (D-Orangeburg) and Tom Davis (R-Beaufort); and Reps. Bruce Bannister (R-Greenville), David Hiott (R-Pickens) and Jackie Hayes (D-Dillon).

Budget conferees did not reach an agreement by July 1, the start of the state's new fiscal year, so a continuing resolution is in effect. This maintains state government funding at the current 2025-2026 levels with no new funding or increases to recurring funds. The continuing resolution will fund state government until a budget is adopted.

The budget conference committee met again on July 14. At the time of this publication, the budget conference committee had not adopted a budget for the 2026-2027 fiscal year.

Bills passed by the General Assembly in 2026

The General Assembly passed bills into law during the 2026 legislative session ranging from municipal elections to transportation modernization. The Association tracked over 250 bills during the 2025-2026 legislative session that have an impact, or could have an impact, on how cities and towns make local decisions for residents. Several of the passed bills from the 2026 session are highlighted here.

Municipal elections – H3556 (R177, A213)

H3556 a bill requiring the state executive committee of a political party to hear primary protests, was amended on the floor of the House during the last week of the session to include language on municipal elections, municipal election commissions and municipal partisan elections. The bill includes these points:

- Municipal elections are to take place on the first Tuesday after the first Monday in either April or November of odd-numbered years. Municipalities that currently hold elections on the first Tuesday after the first Monday in April or November of even-numbered years will be allowed to keep their election dates in place.
- The amendments give guidance on the expiration of unexpired four-year terms of a mayor or member of council.
- The executive committee shall hear an election protest or contest within two weeks of the deadline for filing the protest or contest.
- The nomination of candidates for municipal offices may take place by party primary, party convention or by petition only in those municipalities with populations of fewer than 39,000.
- Municipalities with populations greater than 39,000 that use partisan elections must, by April 1, 2027, adopt by ordinance a nonpartisan method of nominating candidates prescribed in SC Code Sections 5-15-61, 5-15-62 or 5-15-63.
- The establishment of Municipal Election Commissions is limited to municipalities with a population of 10,000 or more. Those commissions in municipalities with populations of less than 10,000 will be abolished as of January 1, 2027.
- Elections for municipalities with a population of fewer than 10,000 must be conducted and certified by the county boards of voter registration and elections.

Bills passed by the General Assembly in 2026

SC Department of Transportation modernization – S831 (R156, A177)

After months of testimony across the state, the General Assembly passed S831, a version of SC DOT modernization that includes the following:

- The secretary of SCDOT will be appointed by the governor with advice and consent from the Senate. The current secretary will continue serving.
- The SCDOT Commission is abolished effective January 1, 2027, and the duties, powers and responsibilities will be devolved onto the secretary.
- The state auditor is required to hire an independent firm to conduct an audit of SCDOT every four years.
- The law clarifies municipal consent requirements for projects on state

highways, establishes a 180-day deadline and allows financial responsibility to be assigned to municipalities for unreasonable project delays.

- The law allows legislative delegations to appoint CTC members. It also requires that all members of a CTC provide fair representation for municipalities, and that members must be residents of the county. CTC membership lists must be published online.

Abandoned buildings and property tax exemption abeyance – S853 (R236, A227)

S853 clarifies that the existence of an income-producing use of a property prior to the period of abandonment is not a requirement for eligibility of the abandoned building tax credit. This fixes a SC Department of Revenue

ruling that excluded these properties from the tax credit.

This bill was amended to include language that holds certain properties eligible for a property tax exemption for affordable housing in abeyance until future legislation to correct the loophole is passed by the General Assembly.

Business personal property tax exemption – S688 (R264, A243)

This bill changes definitions related to Unemployment Trust Fund contributions and payments, and was amended to include language from H5006, a bill that exempts the first \$10,000 from business personal property taxes for small businesses.

Boat taxes – H3858 (R116, A109)

This bill decreases the tax on boats by 50% in the state, and deletes the requirement that outboard motors be titled separately from hulls.

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Local government investments – S420 (R226, A223)

S420 allows a qualified retiree post-employment benefit trust maintained for the benefit of a political subdivision's retirees to invest in certain corporate debt. The bill was amended to require investments that are rated as investment grade by certain rating organizations. The act also prohibits the co-mingling of investment funds with other funds of the municipality.

Monument relocation – S508 (R228, A224)

S508 prohibits local governments from relocating, removing, altering or renaming a broad range of monuments, memorials, streets, parks, bridges and public structures dedicated to historic figures, wars or historical events unless the General Assembly specifically authorizes the action through a joint resolution.

The bill creates new legal protections for monument preservation groups, allowing nonprofit “affinity organizations” and monument preservation organizations to sue cities and towns if monuments are damaged or removed. The legislation allows temporary relocation for infrastructure projects or construction, provided the monument is eventually returned or moved to an equally prominent public location.

Manufactured homes – H5113 (R256, A241)

H5113 prohibits local governments from preventing the continuance of a legal nonconforming use of a property when a preexisting manufactured home or mobile home is replaced with a new manufactured home or mobile home. The Senate amended the bill to include language from H4246 relating to Residential Improvement Districts' authority to exercise powers. The amendments also required that the landowner must

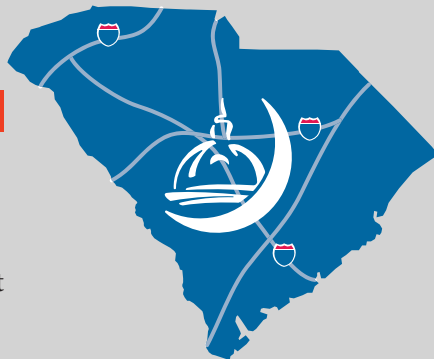
consent to the replacement of the mobile home, and the amendments provided for reasons why a replacement may not be allowed — particularly where the replacement would violate certain state federal or local laws or regulations.

University campus zoning – S832 (R233, A197)

This prohibits a county or municipality from restricting, delaying, prohibiting or requiring land use approval for events held on the campus of a state-supported institution of higher learning based on zoning ordinances or land use classifications. The bill was amended to include language that requires any event within 1,000 feet of a residential neighborhood to provide notice 30 days before the scheduled vote for approval. The bill includes language that clarifies that the bill does not limit a municipality's authority to apply and enforce local building, fire, life safety, health and traffic laws and regulations.

Regional Advocacy Meetings Return This Fall

Municipal officials will have multiple opportunities to attend a Regional Advocacy Meeting to get involved in the Association's advocacy efforts. These sessions for elected officials and city staff will feature discussions about how bills that passed the General Assembly this session will affect cities and towns. Also, officials will learn about issues anticipated for a new two-year session.



Each meeting will begin at 11 a.m. and end by 1 p.m. with lunch. There is no cost to attend, but registration is necessary. Visit www.masc.sc (keyword: regional advocacy) to register online and for directions. Contact Casey Fields at 803.933.1256 or cfields@masc.sc with any questions.

Tuesday, September 15 – North Augusta

Municipal Building, 100 Georgia Ave., North Augusta

Thursday, September 17 – Mauldin

Mauldin Cultural Center, 101 E. Butler Road, Mauldin

Wednesday, September 30 – Columbia

Municipal Association of SC, 1411 Gervais St., Columbia

Tuesday, October 6 – Conway

5th and Main, 428 Main St., Conway

Tuesday, October 13 – York

Yorkville Agricultural and Education Society, 234 Kings Mountain St., York

Tuesday, October 22 – Summerville

Rollins Edwards Community Center, 301 N. Hickory St., Summerville

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