**South Carolina legislative report**

 **Bottom Line**

**Samuel C. Waters and Sharon G. Wilkinson**

The 2018 midterm elections, held on November 6th, saw 54% of the South Carolina electorate vote for candidates in various statewide, congressional, and local races. Governor Henry McMaster (R-Richland) defeated James Smith (D-Richland) to secure his first full term as Governor after he assumed the governorship in 2017 when then-Governor, Nikki Haley, resigned to become the United States Ambassador to the United Nations.

The Democrats gained a Congressional seat in the low country where Joe Cunningham (D-Charleston) defeated Katie Arrington (R-Dorchester) in the 1st District.

A special election was held for the vacant Senate seat in South Carolina Senate District 20, formerly held by Senator John Courson (R-Richland), in which Democrat Dick Harpootlian defeated Republican Benjamin Dunn.

Three incumbents of the South Carolina House of Representatives were defeated Tuesday night: Representative Patsy Knight (D-Dorchester) was defeated by Republican Mandy Kimmons, Representative Samuel Rivers (R-Berkeley) was defeated by Democrat JA Moore, and Representative Bill Crosby (R-Charleston) was defeated by Democrat Krystle Simmons. Two other races for the House of Representatives were competitive with the incumbent pulling out the victory. In those races, incumbent Peter McCoy (R-Charleston) defeated Democrat Carol Tempel and incumbent Lin Bennett (R-Charleston) defeated Democrat Dan Jones in races decided by single-digit percentage points. Just five out of 124 House races were competitive. Over half the races, featured no general election opposition, while 48 races were decided by 20 percentage points or more.

What effect do the elections have on the upcoming legislative session and MBAC, in particular? Every two years, there is a new contingent of House members due to previous members retiring or being defeated. This year, there were several members who chose to retire and a number of representatives defeated in the primary elections, where much of the membership is decided since so many of South Carolina’s races are decided at the primary level. This means there is a new group who must be introduced to MBAC. They need to know who we are and what we mean to the citizens of South Carolina. We need to make our collective voice heard and educate, inform, and provide resources to the new legislators, so that they can make informed decisions when voting on legislation that has an impact on the mortgage industry.

The biggest change that will occur next year is a new chairman taking over the helm of the

House Judiciary Committee. Representative Peter McCoy, a Charleston attorney, is the most likely member to become Chairman of the House Judiciary Committee. This chairmanship, as well as all others, and the membership of each committee, will be decided on December 4th and 5th when the House meets in its organizational session. During the organizational session, House members are sworn into office, the Speaker and Speaker Pro Tem are elected and committee memberships and chairmanships are determined.

The legislative Session starts on January 9. 2019, with prefile dates scheduled for late November and early December. The one prefile date scheduled so far is for the House of Representatives on December 18th.

As previously reported, our Legislative Committee has some members working with a task force assembled by the Secretary of State’s office to formulate draft legislation for remote online notarizations in real estate finance transactions. The American Land Title Association (ALTA) and the Mortgage Bankers Association (MBA) have partnered on a model bill and intend to advocate for its passage by every state, effectuating a uniform approach nationwide. Aside from expected changes at the state level, passage would enable a fully electronic mortgage experience by MBA and ALTA member companies.

Additionally, the Committee expects Senator Tom Davis to seek our further input into drafting a “new” WRAP bill for reintroduction in the next legislative session:

**S 0313** A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 4-1-190 SO AS TO ALLOW A COUNTY TO ESTABLISH A WINDSTORM PROTECTION AND HOMEOWNERS INSURANCE PROGRAM TO ASSIST A HOMEOWNER WITH THE FINANCIAL COSTS OF QUALIFIED WIND RESISTANCE IMPROVEMENTS, TO ESTABLISH OPTIONS FOR FINANCING, TO PROVIDE FOR CERTAIN DETERMINATIONS THAT MUST BE MADE, TO REQUIRE CERTAIN NOTICE, TO PROVIDE THAT A LIEN FILED PURSUANT TO THIS SECTION IS CONSIDERED TO BE AN AD VALOREM TAX, TO PROVIDE FOR CERTAIN RESTRICTIONS TO AN INCREASE IN PROPERTY TAXES; AND TO ALLOW A LOCAL GOVERNMENT TO IMPOSE CERTAIN FEES.