

SENATE BILL 429

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4lr0885
CF HB 391

By: **Senator Bailey**

Introduced and read first time: January 19, 2024

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 2, 2024

CHAPTER _____

1 AN ACT concerning

2 **Corporations and Associations – Protestant Episcopal Church, Diocese of**
3 **Washington and Study of Property Held in Trust by the United Methodist**
4 **Church**

5 FOR the purpose of repealing uncodified provisions of law relating to the Protestant
6 Episcopal Church, Diocese of Washington, commonly known as the “Vestry Act”;
7 providing for the governance of religious corporations in union with the Protestant
8 Episcopal Church, Diocese of Washington; requiring the State Department of
9 Assessments and Taxation to report on the impact of repealing certain sections of
10 the Corporations and Associations Article; and generally relating to the Protestant
11 Episcopal Church, Diocese of Washington and a study of property held in trust by
12 the United Methodist Church.

13 BY repealing and reenacting, without amendments,
14 Article – Corporations and Associations
15 Section 5–301(a)
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Corporations and Associations
20 Section 5–301(e)
21 Annotated Code of Maryland
22 (2014 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



BY adding to

Article – Corporations and Associations

Section 5–341 and 5–342 to be under the new part “Part VII. Protestant Episcopal Church, Diocese of Washington”

Annotated Code of Maryland

(2014 Replacement Volume and 2023 Supplement)

BY repealing

Chapter 96 of the Acts of the General Assembly of 1976

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Corporations and Associations

5–301.

(a) In this part the following words have the meanings indicated.

(e) “Trustees” means:

(1) As to a religious corporation subject to Part II of this subtitle, the incorporators appointed or elected as provided in that part; and

(2) As to a religious corporation subject to Part V [or], Part VI, **OR PART VII** of this subtitle, the members of the vestry.

5–339. RESERVED.

5–340. RESERVED.

PART VII. PROTESTANT EPISCOPAL CHURCH, DIOCESE OF WASHINGTON.

5–341.

(A) THIS PART APPLIES TO EVERY RELIGIOUS CORPORATION FORMED IN THIS STATE BY A PARISH OR SEPARATE CONGREGATION THAT IS IN UNION WITH OR INTENDING TO APPLY FOR UNION WITH THE CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF WASHINGTON, AS CREATED BY THE ACT OF CONGRESS APPROVED MARCH 16, 1896 (29 STAT. 58).

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION OR OTHERWISE IN THIS PART:

(I) PART I OF THIS SUBTITLE APPLIES TO AND REGULATES THE

CORPORATE AND TEMPORAL AFFAIRS OF EVERY RELIGIOUS CORPORATION DESCRIBED IN SUBSECTION (A) OF THIS SECTION, INCLUDING THOSE INCORPORATED UNDER CHAPTER 24 OF THE ACTS OF THE GENERAL ASSEMBLY OF 1798, UNDER CHAPTER 96 OF THE ACTS OF THE GENERAL ASSEMBLY OF 1976, OR BY SPECIAL ACT OF THE GENERAL ASSEMBLY; AND

(II) TO THE EXTENT NOT PROHIBITED BY THE CONSTITUTION OF THE UNITED STATES OR OF THIS STATE, THE CHARTER OF EACH OF THEM IS DEEMED TO BE AMENDED TO CONFORM TO THIS SUBTITLE UNTIL THE CHARTER OTHERWISE IS AMENDED BY THE PARISH OR SEPARATE CONGREGATION AS PROVIDED IN PART I OF THIS SUBTITLE.

(2) AS TO ANY PARISH OR SEPARATE CONGREGATION THAT WAS INCORPORATED BEFORE THE EFFECTIVE DATE OF THE MARYLAND CONSTITUTION OF 1851 AND THEREFORE HAS AN IRREPEALABLE CHARTER, UNLESS THAT PARISH OR SEPARATE CONGREGATION ACCEPTS, USES, ENJOYS, OR IN ANY WAY AVAILS ITSELF OF ANY RIGHT, PRIVILEGE, OR ADVANTAGE GRANTED OR CONFERRED BY ANY STATUTE ENACTED AFTER NOVEMBER 3, 1891:

(I) PART I OF THIS SUBTITLE DOES NOT APPLY TO THE PARISH OR SEPARATE CONGREGATION; AND

(II) THE PARISH OR SEPARATE CONGREGATION CONTINUES TO BE GOVERNED BY THE STATUTE UNDER WHICH IT WAS INCORPORATED.

5-342.

(A) (1) EACH RELIGIOUS CORPORATION SUBJECT TO THIS PART SHALL ADOPT BYLAWS TO GOVERN ITS CORPORATE AND TEMPORAL AFFAIRS.

(2) BYLAWS MAY BE ADOPTED BY A MAJORITY OF THE QUALIFIED VOTERS VOTING AT A REGULAR OR SPECIAL CONGREGATIONAL MEETING CALLED FOR THAT PURPOSE.

(B) EACH RELIGIOUS CORPORATION SUBJECT TO THIS PART IS SUBJECT AT ALL TIMES TO THE CONSTITUTION AND CANONS OF THE CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF WASHINGTON AND OF THE PROTESTANT EPISCOPAL CHURCH IN THE UNITED STATES OF AMERICA.

SECTION 2. AND BE IT FURTHER ENACTED, That Chapter 96 of the Acts of the General Assembly of 1976 be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That since the vestries previously incorporated under the provisions of the original Vestry Act have not been required to file

and record a certificate of incorporation, and the vestries of any separate congregation, after union with the convention of the Protestant Episcopal Church in the Diocese of Washington, have not been required to file and record a supplemental certificate signifying that union, the State Department of Assessments and Taxation, or its successor administrative body, may file and record a certificate, similar in every respect to the certificate required by § 5–304(b) of the Corporations and Associations Article, on the request of:

(1) any parish or separate congregation offering its own certificate for record; or

(2) the convention of the Protestant Episcopal Church in the Diocese of Washington on behalf of any parish or separate congregation that neglects or declines for any reason to offer its own certificate for record, in which event the certificate may be made and signed by the secretary of the convention instead of the vestry of the parish or separate congregation.

SECTION 4. AND BE IT FURTHER ENACTED, That the legal existence of the following parishes and separate congregations in union with the Convention of the Protestant Episcopal Church in the Diocese of Washington as bodies corporate is recognized and acknowledged for all purposes:

(1) in Montgomery County, Maryland: The Vestry of Ascension Parish, The Vestry of Chevy Chase Parish, The Vestry of Christ Church Parish, The Vestry of Church of Our Saviour, The Vestry of Good Shepherd Parish, The Vestry of Norwood Parish, The Vestry of Potomac Parish, The Vestry of Prince George's Parish, The Vestry of Redeemer Parish, The Vestry of Silver Spring Parish, The Vestry of Sligo Parish, The Vestry of St. Anne's Parish, The Vestry of St. Bartholomew's Parish, The Vestry of St. Dunstan's Parish, The Vestry of St. James' Parish, The Vestry of St. John's Church, The Vestry of St. Luke's Church, The Vestry of St. Mark's Parish, The Vestry of St. Nicholas' Parish, The Vestry of St. Peter's Parish, The Vestry of Transfiguration Parish, The Vestry of Trinity Parish, and The Vestry of Wheaton Parish;

(2) in Prince George's County, Maryland: The Vestry of Adelphi Parish, The Vestry of Baden Parish, The Vestry of Clinton Parish, The Vestry of Epiphany Parish, The Vestry of Glenn Dale Parish, The Vestry of Holy Trinity Parish, The Vestry of King George's Parish, The Vestry of Queen Anne Parish, The Vestry of St. Andrew's Parish, The Vestry of St. Barnabas' Parish, The Vestry of St. Christopher's Parish, The Vestry of St. John's Parish, The Vestry of St. Matthew's Parish, The Vestry of St. Paul's Parish, The Vestry of St. Philip's Parish, The Vestry of St. Thomas' Parish, and The Vestry of Zion Parish;

(3) in Charles County, Maryland: The Vestry of Durham Parish, The Vestry of Piney Parish, The Vestry of Port Tobacco Parish, The Vestry of St. James' Parish, The Vestry of Trinity Parish, and The Vestry of William and Mary Parish; and

(4) in St. Mary's County, Maryland: The Vestry of All Faith Parish, The

Vestry of All Saints' Parish, The Vestry of King and Queen Parish, The Vestry of Resurrection Parish, The Vestry of St. Andrew's Parish, and The Vestry of St. Mary's Parish.

SECTION 5. AND BE IT FURTHER ENACTED, That the bodies corporate named in Section 4 of this Act shall be deemed properly incorporated and all persons, entities, and instrumentalities, including the courts of this State and units of State government, shall be estopped from denying the legal existence of those bodies corporate.

SECTION 6. AND BE IT FURTHER ENACTED, That this Act does not prohibit the future dissolution or merger of the bodies corporate named in Section 4 of this Act pursuant to the constitution and canons of the Convention of the Protestant Episcopal Church in the Diocese of Washington and the applicable provisions of the laws of this State.

SECTION 7. AND BE IT FURTHER ENACTED, That, on or before December 31, 2024, the State Department of Assessments and Taxation shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the impact of repealing:

(1) the requirement in § 5-326 of the Corporations and Associations Article that certain assets owned by any Methodist Church be held by the trustees of the church in trust for the United Methodist Church; and

(2) the restrictions in § 5-327 of the Corporations and Associations Article on a deed or conveyance executed before June 1, 1953, that does not include a trust clause.

~~SECTION 7.~~ SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.