HOUSE BILL 227

C1, C5 5lr1030 HB 487/24 - ECMCF SB 561 (PRE-FILED) By: Delegates Adams and Crosby Requested: October 1, 2024 Introduced and read first time: January 8, 2025 Assigned to: Economic Matters Committee Report: Favorable House action: Adopted Read second time: February 11, 2025 CHAPTER AN ACT concerning Corporations and Associations – Electric Cooperatives – Nonescheat Capital Credits FOR the purpose of providing that certain unclaimed money held by an electric cooperative and due to a past member is not considered abandoned property; authorizing an electric cooperative to use this money only for certain purposes; and generally relating to electric cooperatives and nonescheat capital credits. BY repealing and reenacting, without amendments. Article – Commercial Law Section 17–304(b) Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement) BY repealing and reenacting, with amendments, Article – Commercial Law Section 17-304(g)Annotated Code of Maryland (2013 Replacement Volume and 2024 Supplement) BY repealing and reenacting, without amendments, Article – Corporations and Associations Section 5–601(a) and (c) and 5–605 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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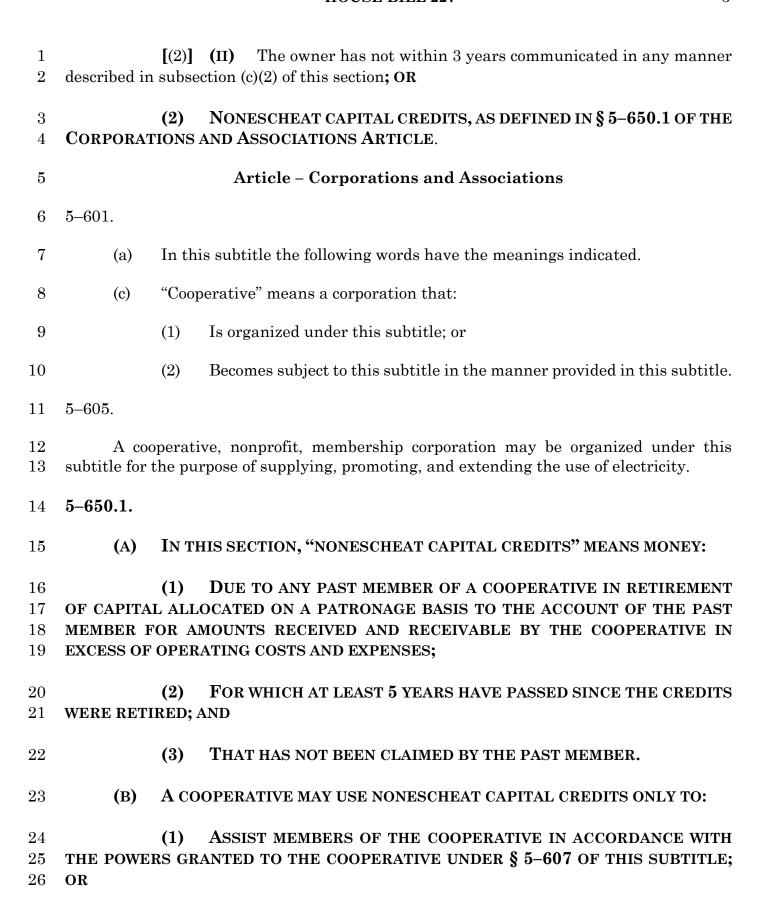
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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

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1 (2014 Replacement Volume and 2024 Supplement) 2 BY adding to 3 Article – Corporations and Associations 4 Section 5–650.1 5 Annotated Code of Maryland (2014 Replacement Volume and 2024 Supplement) 6 7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 8 That the Laws of Maryland read as follows: Article - Commercial Law 9 10 17 - 304.11 Any stock or other certificate of ownership, or any dividend, profit, 12 distribution, interest, payment on principal, or other sum held by a business association for 13 or to a shareholder, certificate holder, member, bondholder or other security holder, or 14 participating patron of a cooperative is presumed abandoned 3 years after the later of: 15 The date the holder is deemed to no longer have a valid address for the (1)16 owner of the property; or 17 The date the owner last communicated with the business association 18 regarding the property if: 19 It is held by a business association organized under the laws of (i) 20 or created in this State: 21(ii) It is held by a business association doing business in this State 22but not organized under the laws of this State, and the records of the business association 23 indicate that the last known address of the person entitled to it is in this State; or 24It is held by a business association not doing business in this (iii) 25State and not organized under the laws of this State, but the records of the business association indicate that the last known address of the person entitled to it is in this State. 2627 This section does not apply to [any]: (g) **(1)** 28ANY stock or other intangible ownership interest enrolled in a plan that 29 provides for the automatic reinvestment of dividends, distributions, or other sums payable 30 as a result of the interest unless the records available to the Administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment 31 32 plan, that: 33 [(1)] (I) The holder is deemed to no longer have a valid address for the

owner of the stock or other intangible ownership interest; or



	(2) MAKE DONATIONS TO NONPROFIT, CHARITABLE ORGANIZATIONS APPROVED BY THE COOPERATIVE'S BOARD OF DIRECTORS.
3	(C) NOTHING IN THIS SECTION MAY BE CONSTRUED TO RELIEVE A COOPERATIVE OF THE OBLIGATION TO REFUND NONESCHEAT CAPITAL CREDITS ON APPLICATION OF A PAST MEMBER.
; ;	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.
	Approved:
	Governor.
	Speaker of the House of Delegates.

President of the Senate.