

# SENATE BILL 586

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HB 1382/24 – ECM

5lr3020

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By: **Senator Muse**

Introduced and read first time: January 23, 2025

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Corporations and Associations – Methodist Church Trust Requirement – ~~Repeal~~**  
3 **Repeal and Disaffiliation Requirements**

4 FOR the purpose of repealing a requirement that the assets of any Methodist Church be  
5 held in trust for the United Methodist Church and be subject to the control of the  
6 United Methodist Church; repealing a certain provision of law providing that the  
7 absence of a trust clause in any deed or conveyance executed before a certain date  
8 does not exclude certain local churches from certain provisions of law or  
9 responsibilities related to the United Methodist Church; providing that a local  
10 church that disaffiliates from the United Methodist Conference shall retain  
11 ownership of its real property, subject to a certain reimbursement requirement; and  
12 generally relating to Methodist churches.

13 BY repealing

14 Article – Corporations and Associations  
15 Section 5–326 and 5–327  
16 Annotated Code of Maryland  
17 (2014 Replacement Volume and 2024 Supplement)

18 BY adding to

19 Article – Corporations and Associations  
20 Section 5–326  
21 Annotated Code of Maryland  
22 (2014 Replacement Volume and 2024 Supplement)

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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 renumbering

Article – Corporations and Associations

Section 5–328

to be Section ~~5–326~~ 5–327

Annotated Code of Maryland

(2014 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Corporations and Associations**

**[5–326.**

All assets owned by any Methodist Church, including any former Methodist Episcopal Church, Methodist Protestant Church, Methodist Episcopal Church, South, the Washington Methodist Conference, or Evangelical United Brethren Church, whether incorporated, unincorporated, or abandoned:

(1) Shall be held by the trustees of the church in trust for the United Methodist Church; and

(2) Are subject to the discipline, usage, and ministerial appointments of the United Methodist Church, as from time to time authorized and declared by the general conference of that church.]

**[5–327.**

The absence of a trust clause in any deed or other conveyance executed before June 1, 1953, does not relieve or exclude a local church in any way from its Methodist connectional responsibilities or from the provisions of this part and does not absolve a local congregation or board of trustees of its responsibility to the United Methodist Church, if such an intent of the founders or the later congregations and boards of trustees is indicated by:

(1) The conveyance of the assets to the trustees of the local church or any of its predecessors;

(2) The use of the name, customs, and polity of the United Methodist Church in such a way as to be known to the community as part of this denomination; or

(3) The acceptance of the pastorate of ministers appointed by a bishop of the United Methodist Church or employed by the superintendent of the district in which the local church is located.]

**5–326.**

1       (A) SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, A LOCAL  
2 CHURCH MAY DISAFFILIATE FROM THE UNITED METHODIST CONFERENCE AND  
3 RETAIN OWNERSHIP OF ITS PROPERTY.

4       (B) A DISAFFILIATING LOCAL CHURCH SHALL REIMBURSE THE UNITED  
5 METHODIST CONFERENCE FOR FINANCIAL INVESTMENTS MADE BY THE UNITED  
6 METHODIST CONFERENCE FOR THE ACQUISITION, MAINTENANCE, OR  
7 IMPROVEMENT OF REAL PROPERTY USED BY THE LOCAL CHURCH IN ACCORDANCE  
8 WITH SUBSECTION (C) OF THIS SECTION.

9       (C) (1) THE UNITED METHODIST CONFERENCE SHALL PROVIDE A  
10 DISAFFILIATING LOCAL CHURCH WITH A FULL AND TRANSPARENT ACCOUNTING OF  
11 ALL FUNDS THE UNITED METHODIST CONFERENCE HAS CONTRIBUTED FOR THE  
12 ACQUISITION, MAINTENANCE, AND IMPROVEMENT OF THE REAL PROPERTY USED BY  
13 THE LOCAL CHURCH FROM WHICH THE AMOUNT OF THE REIMBURSEMENT  
14 REQUIRED UNDER SUBSECTION (B) SHALL BE DETERMINED.

15       (2) A DISAFFILIATING LOCAL CHURCH MAY NOT BE REQUIRED TO  
16 REIMBURSE THE UNITED METHODIST CONFERENCE FOR ANY AMOUNTS  
17 ATTRIBUTABLE TO FINANCIAL INVESTMENTS FOR THE ACQUISITION,  
18 MAINTENANCE, OR RENOVATION OF REAL PROPERTY MADE BY THE LOCAL CHURCH.

19       SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5–328 of Article –  
20 Corporations and Associations of the Annotated Code of Maryland be renumbered to be  
21 Section(s) ~~5–326~~ 5–327.

22       SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 2025.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.