

**2025 SB00561 Testimony For 2025-01-31.pdf**

Uploaded by: Alan Lang

Position: FAV

## Testimony For SB0561

Honorable Senators

Please enter a favorable decision for SB0561.

The Coop should not lose the unclaimed refund to the State if the past member does not claim it by the deadline. That money should stay in the coop.

Please enter a favorable decision for SB0561.

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January 31, 2025

# **SB 561\_MDCC\_Corporations and Associations- Electri**

Uploaded by: Hannah Allen

Position: FAV



**LEGISLATIVE POSITION:**

**Favorable**

**Senate Bill 561 – Corporations and Associations- Electric Cooperatives – Nonescheat Capital Credits**

**Judicial Proceedings Committee**

**Friday, January 31, 2025**

Dear Chairman Smith and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 561 provides that certain unclaimed money held by an electric cooperative and due to a past member is not considered abandoned property. It authorizes an electric cooperative to use this money to assist members of the cooperative or donate to nonprofit or charitable organizations.

A cooperative's elected Board of Directors typically retires capital credits once per year. Usually, they retire the oldest credits first, getting funds back to members who have participated the longest. During this process there are sometimes members who cannot be found, likely because they have not updated their current address with the cooperative. Under current law, the cooperative must send those undistributed funds to the Comptroller of Maryland. Currently the amount of unclaimed retired credit varies from year to year.

Electric cooperative employees live and work in the communities they serve. They are dedicated to making a difference for their neighbors. The passage of SB 561 allows electric cooperatives to reinvest unclaimed credits back into the cooperative and the local communities they serve. Examples of how the funds could be used include: tree planting programs, scholarships to fund workforce development programs, apprenticeship programs and internships on the Eastern Shore, pilot projects to evaluate advanced controls to enable a more efficient move to electrification in the future (i.e., enhanced sensors for voltage regulators), line extensions or electric upgrades for youth sports fields, help members in need to pay electric bills, energy efficiency programs and electric vehicle charging incentives or infrastructure. Furthermore, SB 561 ensures that unclaimed funds target current member priorities by requiring a vote of the elected Board of the electric cooperative.

Senate Bill 561 would allow for the unclaimed funds to even further serve the community through education and workforce development programs, creating infrastructure and incentives that benefit the environment, and implement pilot programs. In addition, the passage of SB 561 would align Maryland electric cooperatives with those in 37 other states.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on SB 561.

**SB 561-Choptank Electric Cooperative-FAV.pdf**

Uploaded by: Matthew Teffeu

Position: FAV



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January 31, 2025

The Honorable William C. Smith, Jr.  
Judicial Proceedings Committee  
2 East Miller Senate Office Building  
Annapolis, MD 21401

**Re: Support for SB 561 - Corporations and Associations - Electric Cooperatives - Nonescheat Capital Credits**

Dear Chair Smith and Members of the Committee:

Choptank Electric Cooperative supports **SB 561**, legislation sponsored by **Sen. Steve Hershey and Sen. Johnny Mautz** to permit electric cooperatives to better serve their members using nonescheat capital credits.

SB 561 defines “nonescheat capital credits” as money (1) due to any past member of an electric cooperative in retirement of capital allocated on a patronage basis to the account of the past member for amounts received and receivable by the cooperative in excess of operating costs and expenses; (2) for which at least five years have passed since the credits were retired; and (3) that has not been claimed by the past member.

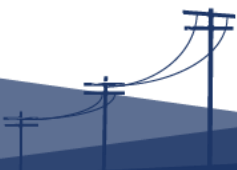
An electric cooperative may use nonescheat capital credits only to (1) assist members of the cooperative pursuant to the powers granted to the cooperative under the applicable statute or (2) make donations to nonprofit, charitable organizations approved by the cooperative’s board of directors. Choptank Electric Cooperative has been part of the rural community on the Eastern Shore for 85 years with a long-standing record of investing, donating, and partnering with various organizations.

This bill does not relieve an electric cooperative of the obligation to refund nonescheat capital credits on application of a past member.

Passage of **SB 561** would streamline the effort of electric cooperatives to serve members and reliably distribute energy in rural areas while keeping rates as low as possible for the members who own and invest in the cooperative. Passage would align us with cooperatives in 37 other states.

The Committee favorably reported the identical bill in 2024. We urge a favorable report on **SB 561**.

For more information contact Matt Tefteau at [matthewt@choptankelectric.coop](mailto:matthewt@choptankelectric.coop) or Valerie Connelly at [valeriec@choptankelectric.coop](mailto:valeriec@choptankelectric.coop).



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