HOUSE BILL 227

C1, C5 HB 487/24 – ECM (PRE–FILED) 5lr1030 CF 5lr1220

By: Delegates Adams and Crosby

Requested: October 1, 2024

Introduced and read first time: January 8, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1	AN AUT concerning
2	Corporations and Associations – Electric Cooperatives – Nonescheat Capital Credits
4	FOR the purpose of providing that certain unclaimed money held by an electric cooperative
5	and due to a past member is not considered abandoned property; authorizing an
6	electric cooperative to use this money only for certain purposes; and generally
7	relating to electric cooperatives and nonescheat capital credits.
8	BY repealing and reenacting, without amendments,
9	Article – Commercial Law
0	Section 17–304(b)
1	Annotated Code of Maryland
2	(2013 Replacement Volume and 2024 Supplement)
13	BY repealing and reenacting, with amendments,
4	Article – Commercial Law
5	Section 17–304(g)
6	Annotated Code of Maryland
7	(2013 Replacement Volume and 2024 Supplement)
18	BY repealing and reenacting, without amendments,
9	Article – Corporations and Associations
20	Section 5–601(a) and (c) and 5–605
21	Annotated Code of Maryland
22	(2014 Replacement Volume and 2024 Supplement)
23	BY adding to
24	Article – Corporations and Associations
25	Section 5–650.1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Annotated Code of Maryland

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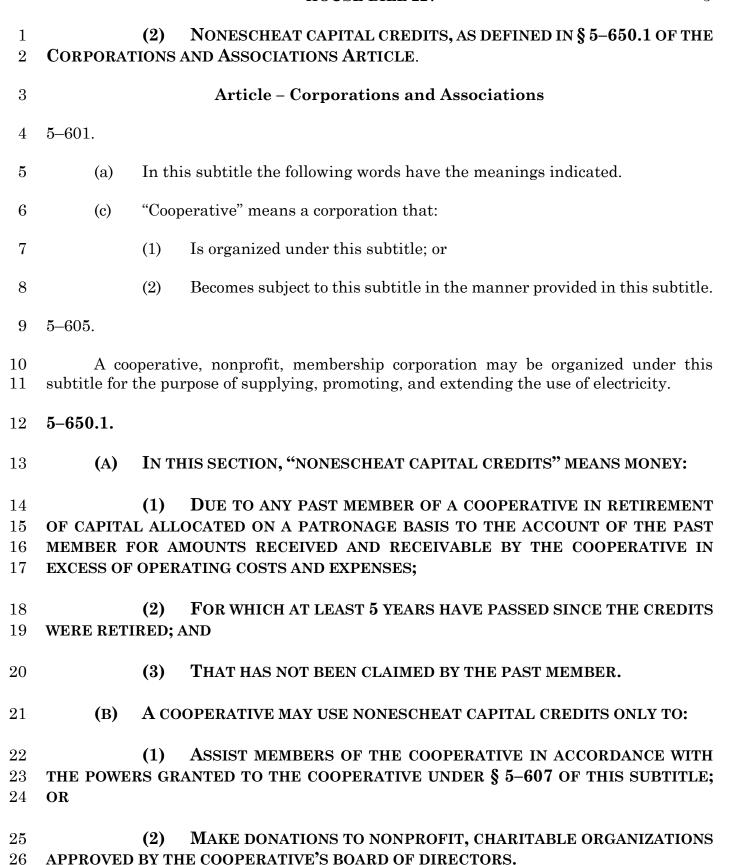


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1 (2014 Replacement Volume and 2024 Supplement) 2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 3 That the Laws of Maryland read as follows: Article - Commercial Law 4 17 - 304.5 6 Any stock or other certificate of ownership, or any dividend, profit, 7 distribution, interest, payment on principal, or other sum held by a business association for 8 or to a shareholder, certificate holder, member, bondholder or other security holder, or 9 participating patron of a cooperative is presumed abandoned 3 years after the later of: 10 (1)The date the holder is deemed to no longer have a valid address for the 11 owner of the property; or 12 (2)The date the owner last communicated with the business association 13 regarding the property if: 14 It is held by a business association organized under the laws of (i) 15 or created in this State; 16 (ii) It is held by a business association doing business in this State 17 but not organized under the laws of this State, and the records of the business association 18 indicate that the last known address of the person entitled to it is in this State; or 19 It is held by a business association not doing business in this 20 State and not organized under the laws of this State, but the records of the business 21association indicate that the last known address of the person entitled to it is in this State. 22 This section does not apply to [any]: (g) 23**(1)** ANY stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable 2425as a result of the interest unless the records available to the Administrator of the plan 26 show, with respect to any intangible ownership interest not enrolled in the reinvestment 27 plan, that: 28 [(1)] (I) The holder is deemed to no longer have a valid address for the

[(2)] (II) The owner has not within 3 years communicated in any manner described in subsection (c)(2) of this section; **OR**

owner of the stock or other intangible ownership interest; or



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- 1 (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 5 October 1, 2025.