

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 586

(Senator Muse)

Judicial Proceedings

Economic Matters

**Corporations and Associations - Methodist Church Trust Requirement Repeal
and Disaffiliation Requirements**

This bill (1) repeals provisions of existing law that require all assets owned by any Methodist Church to be held in trust for the United Methodist Church and subject to the discipline, usage, and ministerial appointments of the United Methodist Church; (2) authorizes a local church to disaffiliate from the United Methodist Conference (UMC) and retain ownership of its property; and (3) includes provisions related to required reimbursements to UMC by a disaffiliating local church for real property used by the local church.

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes a local church to disaffiliate from UMC and retain ownership of its property; however, a disaffiliating local church must reimburse UMC for financial investments made by UMC for the acquisition, maintenance, or improvement of real property used by the local church. The amount of reimbursement to UMC by a disaffiliating local church:

- must be determined by a full and transparent accounting provided by UMC to a disaffiliating local church of all funds UMC has contributed for the acquisition, maintenance, and improvement of the real property used by the local church; and

- may not include any amounts attributable to financial investments for the acquisition, maintenance, or renovation of real property made by the disaffiliating local church.

Current Law: All assets owned by any Methodist Church, including those specified, whether incorporated, unincorporated, or abandoned are (1) held by the trustees of the church in trust for the United Methodist Church and (2) 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.

The absence of a trust clause in any deed or other conveyance executed before June 1, 1953, does not relieve a local church from its Methodist connectional responsibilities 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:

- the conveyance of the assets to the trustees of the local church or any of its predecessors;
- 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
- 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.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1382 of 2024.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Office of the Attorney General; Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2025

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