



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony

SB 586: Corporations and Associations - Methodist Church Trust Requirement - Repeal

Good afternoon, Chairman Smith, Vice Chair, and members of the Senate Judicial Proceedings Committee.

SB 586, *Corporations and Associations - Methodist Church Trust Requirement - Repeal*, removes the current requirement that all assets owned by any United Methodist Church must be held in trust for the United Methodist Church's General Conference. Under current law, these assets are subject to the church's discipline, practices, and ministerial appointments, as determined by the United Methodist Church's General Conference.

SB 586 repeals these provisions, meaning that local Methodist churches would no longer be required to hold their assets in trust for the denomination or follow its governance and ministerial appointment practices. The bill has no direct financial impact on the state or local governments, nor does it affect small businesses. Its primary impact is on the legal and organizational structure of local United Methodist churches and their relationship with the United Methodist Conference, which is a matter that the state should not be involved in.

Furthermore, forcing a congregation to pay a substantial financial sum to leave the conference creates an ethical dilemma. This exit fee is often viewed as punitive rather than compensatory. It places small churches in an untenable position, where they must either pay a significant portion of their resources to disaffiliate or remain in a denomination with which they no longer agree.

In many cases, local churches owned their properties long before they became affiliated with the United Methodist Church. These churches did not purchase or maintain their buildings with the denomination's resources. Often, properties were donated to them prior to their affiliation. Therefore, requiring these churches to **pay an exit fee sometimes as high as 50% of the value of their property is unfair**. The denomination never contributed to the purchase or maintenance of these buildings, and yet, the churches are being asked to pay a substantial fee for property they have largely funded and maintained on their own.

The financial penalty for disaffiliation serves as an unnecessary obstacle to religious freedom and creates an unfair advantage for the denomination, as it can compel churches to remain even when doctrinal differences are irreconcilable. Smaller churches are often more focused on local ministry and community outreach than on legal disputes or financial settlements. Therefore, the time, money, and energy spent on fighting over property ownership or negotiating exit fees

detracts from the church's ability to carry out its primary mission of serving its members and the community.

Repealing the trust clause in Maryland for United Methodist churches would give local churches the freedom to govern themselves and control their own property without facing unfair financial and legal burdens. It would allow small congregations to leave the denomination peacefully, without the requirement to pay large exit fees, and foster healthier relationships between churches and conferences. Repealing this law would uphold the principles of religious freedom, fairness, and autonomy.

Therefore, I respectfully urge a favorable report for SB 586.