



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Sponsor Testimony

**SENATE BILL 172- Corporations and Associations - Methodist Churches - Trust
Requirement Repeal and Disaffiliation**

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee:

I appreciate the opportunity to present testimony in support of **Senate Bill 172**. This legislation as submitted passed the Senate 42-1 last year.

Senate Bill 172 updates Maryland law governing property ownership within Methodist churches to reflect fairness, transparency, and modern realities facing local congregations. Current statute requires that all assets of a Methodist church be held in trust for the United Methodist Church, even when the local congregation acquired, maintained, or improved the property using its own resources and later seeks to disaffiliate.

This bill repeals that mandatory trust requirement and replaces it with a clear, balanced statutory framework.

Under SB 172, a local Methodist church that disaffiliates from the United Methodist Conference may retain ownership of its real property. At the same time, the bill protects the Conference's legitimate financial interests by requiring reimbursement for any documented investments the Conference made toward the acquisition, maintenance, or improvement of that property.

The bill includes important safeguards. Before any reimbursement is required, the United Methodist Conference must provide the disaffiliating church with a full and transparent accounting of its financial contributions. Additionally, a local church may not be required to reimburse the Conference for property investments that were made by the local congregation itself. This ensures that reimbursement obligations are fair, evidence-based, and limited to actual Conference contributions.

Senate Bill 172 also repeals outdated statutory provisions that previously allowed courts to infer a trust relationship even when no trust clause existed in a deed executed before 1953. Removing this language provides clarity, reduces litigation, and aligns statutory law with

modern principles of property ownership. This bill will codify the new provisions within the Corporations and Associations Article.

Importantly, SB 172 does not interfere with matters of faith, doctrine, or internal church governance. It addresses only civil property rights and provides a fair process for resolving ownership when affiliations change.

For these reasons, I respectfully urge the Committee to issue a **favorable report on Senate Bill 172**, as amended.

Thank you for your consideration.