REPORT OF THE COMMITTEE ON THE CONSTITUTION AND CANONS FOR THE 131st ANNUAL CONVENTION

The Committee on the Constitution and Canons has three items to report to the Convention for the year 2025. Two of these items will require a vote.

First, the Committee will report on its consideration and advice concerning the Maryland statute enacted in 2024 affecting the corporate status of parishes in the Diocese located in the State of Maryland.

Second, the Committee will report an amendment to the Convention to amend the Canons to require any new parish or separate congregation established by the Convention in the Diocese of Washington to make any necessary filings with Maryland or the District of Columbia to record Articles of Incorporation.

Third, the Committee will report an amendment to the Convention to amend the Canons relating to State law requirements of Maryland and the District of Columbia for the number of members of the vestry required to be members of any committee established by the vestry that exercises any authority of the vestry.

MARYLAND PARISHES AS RELIGIOUS CORPORATIONS UNDER MARYLAND STATE LAW

At last year's annual meeting of the Convention the Committee reported on a Maryland State law enacted by the Maryland Legislature that addressed a long standing problem relating to the corporate status of the 51 parishes in the Diocese located in Maryland. For years many of those parishes had difficulties in routine corporate functions, such as opening bank accounts, applying for grants, and establishing documentation of incorporation because those corporations were governed by the Maryland Vestry Act of 1798 which was not part of the Maryland Annotated Code. There was confusion in the administration of corporate laws with respect to those parishes by Maryland State agencies and business entities entering into legal relationships with those parishes because of the uncertainty about the corporate status of those parishes.

The new law repealed the remaining provisions of the Vestry Act as applicable to Maryland, and made the affected parishes subject to the provisions of the Maryland Annotated Code that apply to all religious corporations in the State of Maryland. Those parishes are now provided the same corporate treatment as any other religious corporation in the State of Maryland. The Diocese is now in the process of assisting in the transition of the affected Maryland parishes to their new corporate status as religious corporations in order to maximize the benefits from the recently enacted statute. Several parishes have already had their filings with the State approved and received a certificate of their Articles of Incorporation. Maryland parishes that have not filed are still religious corporations, but are not registered on the public record and do not have a certificate to document their corporate status. Maryland parishes that wish to learn more about filing Articles of Incorporation should contact the Chancellor or Vice Chancellor of the Diocese.

The Committee on the Constitution and Canons has provided advice and recommendations to the Diocese on the issues relating to the transition of parishes to religious

corporations under the statute. The Committee has reported two amendments to the Canons to coordinate and conform the Canons to changes in the Maryland State law. In the coming year the Committee will, upon request of the Bishop or Chancellor, provide further analysis and recommendations on related legal and governance issues.

FILING OF ARTICLES OF INCORPORATION BY NEW PARISHES IN THE DIOCESE

The first proposed amendment to the Canons conforms the Canons to the requirements of the new Maryland statute and the existing laws of the District of Columbia. The amendment would require any new parish established by the Diocese to make all necessary filings to record articles of incorporation. The proposed canon would apply to any new parish established in Maryland or the District of Columbia.

When a new parish is established in the Diocese, the organizers go through a petition process under Canon 34 for approval by the Convention. The last parish established by the Diocese was as recent as January 2020. The requirement to register articles of incorporation after approval would be part of the overall administrative process of becoming a parish. The proposed amendment would also direct the Chancellor to assist the new parish in making any necessary filings.

Therefore, the Committee on the Constitution and the Canons moves the adoption of a resolution amending the Canons as follows:

Resolved,

SECTION 1. FILING OF ARTICLES OF INCORPORATION BY NEW PARISHES.

(a) IN GENERAL.— Canon 34 is amended—

(1) by redesignating sections 3405 through sections 3407 as sections 3406 through 3408, respectively; and

(2) by inserting after section 3404 the following:

“SEC. 3405. ARTICLES OF INCORPORATION FOR PARISH OR SEPARATE CONGREGATION.

“(a) IN GENERAL.— Not later than 60 days after the date on which the Convention passes a second and final vote of approval of a petition that establishes a parish or separate congregation, that parish or separate congregation shall make all necessary filings with the applicable State or local government, to record articles of incorporation.

“(b) ASSISTANCE IN FILING.— The Chancellor shall provide assistance in any filing under subsection (a).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.— Section 3401(c)(1)(C) of the Canons is amended by striking “section 3405” and inserting “section 3406”.

(c) EFFECTIVE DATE.— This resolution shall take effect on the day after the last day of the annual meeting of the Diocesan Convention in calendar year 2026.

APPENDIX

This appendix shows the strikes and inserts to the text of the Canons made by the proposed amendment. [Stricken text is in line type and inserted text is in italics.]

[CURRENT LAW 2025]

SEC. 3405. ARTICLES OF INCORPORATION FOR PARISH OR SEPARATE CONGREGATION.

(a) IN GENERAL.— Not later than 60 days after the date on which the Convention passes a second and final vote of approval of a petition that establishes a parish or separate congregation, that parish or separate congregation shall make all necessary filings with the applicable State or local government, to record articles of incorporation.

(b) ASSISTANCE IN FILING.— The Chancellor shall provide assistance in any filing under subsection (a).

~~**SEC. 3405.**~~ ***SEC. 3406.*** **CONSENT OF PARISH CEDING ANY AREA.**

The consent of a majority of all voting members of the vestry of a parish is required before any area of that parish may be ceded to any other parish.

~~**SEC. 3406.**~~ ***SEC. 3407.*** **……..**

~~**SEC. 3407.**~~ ***SEC. 3408.*** **……..**

COMMITTEES ESTABLISHED BY VESTRIES

The second proposed amendment to the Canons prompted by the new Maryland statute is not as straight forward as the first proposed amendment, but it demonstrates the unique legal status of our Diocese which can be challenging when implementing new laws. The major characteristics of that legal status are: (1) we are governed by canonical law and public law and public law generally takes precedence in secular matters, such as corporate laws; and (2) parishes in the same Diocese are subject to different secular laws (including Federal, State, local, and District).

The particular issue addressed by the proposed amendment regards the laws relating to the number of vestry members that are required to be members of any committee established by a vestry that exercises an authority of the vestry. As a practical matter, we are not aware of a compliance problem in the Diocese, but there is a lurking legal issue that should be considered by parishes.

Note that the proposed amendment simply refers to compliance with State and local law. The Committee on the Constitution and the Canons does not restate or incorporate the voluminous public laws into the Canons. For those who have a specific interest in the application of the secular law on the issue, you may consult your own counsel, or contact the Chancellor or Vice Chancellor for support. The following principles on application will be helpful:

Application of law to Vestry Members on Vestry Committees

Maryland Parishes:

(1) All Maryland parishes are "religious corporations" under Maryland law.

(2) Some Maryland parishes are religious corporations that have gone through the process of registering Articles of Incorporation with the State Department of Assessments and Taxation. Those registered parishes have been issued a certificate of incorporation. That certificate is documentation of their corporate status for all purposes. The public can find those parishes online with records of the State Department of Assessments and Taxation for information on their corporate status.

(3) The Maryland Vestry Act no longer applies to any parish in Maryland.

(4) All Maryland parishes may appoint committees composed of one or more vestry members (under Maryland Annotated Code; MD Corporations and Associations Code § 2-411) that exercise vestry responsibilities. Other committees that do not exercise vestry responsibilities may include any combination of vestry and non-vestry members.

District of Columbia Parishes:

(1) All D.C. parishes (including those parishes originally incorporated under the Maryland Vestry Act or any other authority) are subject to the version of the Maryland Vestry Act enacted by Congress for the District of Columbia. There is no provision in the version of the Maryland Vestry Act applicable to D.C. parishes that requires a certain number of members of the vestry to be members of any committee created by the vestry.

(2) All D.C. parishes are required to register as corporations with the D.C. government.

(3) All D.C. parishes may optionally elect to be governed by the D.C. corporate law, Title 29, Business Organizations of the District of Columbia. Parishes making this election are subject to that title, including § 29–306.25 of that title (relating to the number of directors serving on committees). Unless otherwise provided in the articles of incorporation or bylaws, committees that exercise vestry responsibilities must be composed of one or more vestry members. Other committees that do not exercise vestry responsibilities may include any combination of vestry and non-vestry members.

General rules for compliance:

The following practices apply with respect to compliance with State and local laws relating to the number of vestry members required to be members of any committee that is created by the vestry and exercises any authority of the vestry:

(1) Any parish in the Diocese that includes at least one member of the vestry on the applicable committee will be in compliance.

(2) There is no requirement for a committee that does not exercise any authority of the vestry (e.g. a committee providing only advice and recommendations).

Therefore, the Committee on the Constitution and the Canons moves the adoption of a resolution amending the Canons as follows:

Resolved,

SECTION 1. COMMITTEES ESTABLISHED BY VESTRIES.

(a) COMMITTEES ESTABLISHED BY VESTRIES.— Section 4705(j)(1) of the Canons is amended by striking subparagraph (B) and inserting the following:

"(B) shall provide that--

"(i) any committee established under subparagraph (A) shall—

"(I) include the number of members of the vestry necessary to comply with the law of the applicable State or local government; and

"(II) exercise any authority delegated by the vestry in the management of the parish; and

"(ii) any authority delegated under clause (i)(II) shall not affect the responsibilities or duties of the vestry relating to that authority; and".

(b) EFFECTIVE DATE.— This resolution shall take effect on the day after the last day of the annual meeting of the Diocesan Convention in calendar year 2026.

APPENDIX

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[CURRENT LAW 2025]

(j) COMMITTEES.—

(1) COMMITTEES ESTABLISHED BY THE VESTRY.— The bylaws of each parish—

(A) may provide that the vestry may establish committees and appoint members to those committees;

~~(B) shall provide that—~~

~~(i) any committee established under subparagraph (A) shall exercise any authority delegated by the vestry in the management of the parish; and~~

~~(ii) any authority delegated under clause (i) shall not affect the responsibilities or duties of the vestry relating to that authority; and~~

(B) shall provide that--

(i) any committee established under subparagraph (A) shall—

(I) include the number of members of the vestry necessary to comply with the law of the applicable State or local government; and

(II) exercise any authority delegated by the vestry in the management of the parish; and

(ii) any authority delegated under clause (i)(II) shall not affect the responsibilities or duties of the vestry relating to that authority; and

(C) shall provide that any committee established under subparagraph (A) that is an executive committee of the vestry shall—

(i) have members who are each a member of the vestry; and

(ii) have no fewer than 2 members on that executive committee.