

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 675
Commerce and Insurance Committee Substitute Adopted 4/8/25
House Committee Substitute Favorable 6/16/26
PROPOSED HOUSE COMMITTEE SUBSTITUTE S675-PCS35480-CV-51

Short Title: Charitable Orgs. Privacy Protection Act.

(Public)

Sponsors:

Referred to:

March 26, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT PROVISIONS RELATED TO THE TRANSFER OF PROPERTY WHEN
3 CHARITABLE ORGANIZATIONS ARE NAMED AS BENEFICIARIES OF
4 NONPROBATE ASSETS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Chapter 41 of the General Statutes is amended by adding a new Article
7 to read:

8 "Article 4B.

9 "Transfers on Death to Charitable Organizations.

10 "**§ 41-53.1. Beneficiary designation defined.**

11 For the purposes of this Article, "beneficiary designation" means, other than a will or an
12 instrument creating a trust, an instrument or provision in an instrument designating a beneficiary,
13 including, but not limited to, any of the following:

- 14 (1) An annuity or insurance policy.
15 (2) An account with a designation for payment on death.
16 (3) A security registered in beneficiary form.
17 (4) A pension, profit-sharing, retirement, or other employment-related benefit
18 plan.
19 (5) Any other nonprobate transfer at death.

20 "**§ 41-53.2. Charitable organization as beneficiary.**

21 (a) A charitable organization incorporated in North Carolina or incorporated in another
22 state and having a valid certificate of authority in North Carolina that is exempt under section
23 501(c)(3) of the Internal Revenue Code and is a beneficiary of an interest in property created by
24 beneficiary designation may deliver an affidavit to the holder of the property for the purpose of
25 obtaining the property or information regarding the property. The affidavit shall be signed by a
26 duly authorized representative of the charitable organization under penalty of perjury before a
27 notary public and shall state all of the following:

- 28 (1) The decedent's name and last known address.
29 (2) A general description of the property, to the extent known.
30 (3) The charitable organization's name, address, and primary contact information.
31 (4) A request that the property be transferred to the charitable organization or that
32 specified information about the property be given to the charitable
33 organization.



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- 1 (5) Affirmation that, on information or belief of the affiant, the property owner is
2 deceased and no one other than the charitable organization has a right to the
3 interest in the property listed in the affidavit.
4 (6) That the information in the affidavit is true and correct.
5 (b) An affidavit presented under this section shall be accompanied by all of the following:
6 (1) A copy of the charitable organization's determination letter from the Internal
7 Revenue Service recognizing its tax-exempt status.
8 (2) A copy of the charitable organization's certificate of existence issued pursuant
9 to the law under which it is organized as conclusive evidence that the
10 organization is in good standing.
11 (3) The certified copy of the death certificate of the decedent as verification of the
12 decedent's death.
13 (4) A corporate resolution or similar statement recognizing the affiant's authority
14 to act on behalf of the charitable organization.
15 (5) Internal Revenue Service form W-9 completed by an authorized
16 representative of the charitable organization.

17 **"§ 41-53.3. Transfer of property.**

18 (a) A holder of property that receives an affidavit under this Article shall not request any
19 additional personal information from any individual employed by or serving on the board of
20 directors of the charitable organization. As used in this subsection, "personal information"
21 includes, but is not limited to, the following:

- 22 (1) Social security number.
23 (2) Drivers license number.
24 (3) Contact information.
25 (4) Personal financial information.
26 (b) If the requirements of this Article are satisfied, all of the following apply:
27 (1) The decedent's property shall be paid, delivered, or transferred to or for the
28 benefit of the charitable organization as requested in the affidavit.
29 (2) The transfer agent of a security described in the affidavit shall change
30 registered ownership from the decedent to or for the benefit of the charitable
31 organization as requested in the affidavit.
32 (3) The information requested in the affidavit shall be delivered to the
33 organization.

34 (c) A holder of property that receives an affidavit and accompanying documents under
35 this Article may assume without undue investigation the validity of the facts contained in them.
36 The holder of the property that in good faith delivers the property or information requested in
37 reliance on the facts contained in the affidavit and accompanying documents and that has no
38 actual knowledge that contradicts those facts is not liable to any person for having delivered the
39 property or information requested.

40 (d) A lien created by a transaction between the charitable organization and a holder of
41 property acting in reliance on the affidavit provided under this Article is enforceable against the
42 property the charitable organization has requested.

43 (e) Compliance with this section is not required if it would cause a holder of property to
44 violate federal or State law, including the rules of a self-regulatory organization registered under
45 the federal Securities Exchange Act of 1934, 15 U.S.C. § 78a, et seq., or promulgated regulations,
46 provided, however, all of the following shall apply:

- 47 (1) A violation of an internal policy or guideline of the holder of property,
48 including a policy or guideline that requires opening an inherited account,
49 does not excuse compliance unless the policy or guideline is expressly
50 required by federal or State law, including the rules of a self-regulatory

1 organization registered under the federal Securities Exchange Act of 1934, 15
2 U.S.C. § 78a, et seq., or promulgated regulations.

3 (2) If compliance with the requirements of this section would cause a violation as
4 described in this subsection, the holder of property shall not seek any personal
5 information from any individual employed by or serving on the board of
6 directors of the charitable organization that is not expressly required by federal
7 or State law, including the rules of a self-regulatory organization registered
8 under the federal Securities Exchange Act of 1934, 15 U.S.C. § 78a, et seq.,
9 or promulgated regulations.

10 (3) If compliance with the requirements of this section would cause a violation as
11 described in this subsection, the holder of property shall provide a written
12 notice of the specific legal authority for the noncompliance to the charitable
13 organization that is the beneficiary within 30 days. The written notice shall
14 include the following:

15 a. A citation to the specific statute or regulation that would be violated.

16 b. A plain-language description of the information or action required
17 from the beneficiary to satisfy and comply with that specific legal
18 requirement.

19 (4) A holder of property that originates or transfers securities in reliance on
20 documentation that complies with this section shall be discharged from all
21 claims to the security by the estate, creditors, heirs, or devisees of a deceased
22 owner.

23 **§ 41-53.4. Enforcement.**

24 (a) If a holder of the property refuses to provide the requested property or information
25 within 60 days after delivery of the affidavit and accompanying documents under this Article,
26 the charitable organization may, within one year from the sixty-first day following the date of
27 proof of delivery, bring an action against the holder of the property to compel delivery of the
28 property or information. If the court finds that the holder of the property acted unreasonably in
29 failing to deliver the property or information as requested in the affidavit, the court may award
30 to the charitable organization any or all of the following:

31 (1) Damages sustained by the charitable organization.

32 (2) Costs of the action.

33 (3) A penalty in an amount determined by the court between five hundred dollars
34 (\$500.00) and ten thousand dollars (\$10,000).

35 (4) Reasonable attorneys' fees based on the value of the time reasonably expended
36 by the attorney and not based on the amount of the recovery by the charitable
37 organization.

38 (b) If a charitable organization receives designated benefits for which the charitable
39 organization is liable under G.S. 30-15, the charitable organization shall return to the donor's
40 estate a portion or all of the designated benefits in order to satisfy the allowed claims, statutory
41 allowances, or unsatisfied balance of the elective share or supplemental elective-share claim
42 within 60 days after receiving written notice from the personal representative of the donor's
43 estate. If the charitable organization fails to comply with this provision, the charitable
44 organization shall pay statutory interest to the donor's estate for each day the unreturned amount
45 remains outstanding."

46 **SECTION 2.** This act is effective when it becomes law and applies to affidavits from
47 charitable organizations delivered on or after that date.