State of Tennessee

PUBLIC CHAPTER NO. 741

SENATE BILL NO. 2642

By Roberts, Bowling

Substituted for: House Bill No. 2112

By Boyd, Raper

AN ACT to amend Tennessee Code Annotated, Title 35 and Title 48, relative to charitable organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 48, Chapter 101, is amended by adding the following as a new part:

48-101-401.

As used in this part:

(1) "Beneficiary designation" means the provision in an instrument designating a beneficiary, other than in a will or an instrument creating a trust, and may also mean the instrument itself, including:

(A) An account with a designation for payment on death;

(B) A security registered in beneficiary form;

(C) A pension, profit-sharing, retirement, or other employment-related benefit plan; or

(D) Any other non-probate transfer at death;

(2) "Charitable organization":

(A) Means:

(i) A person that is determined by the internal revenue service to be a tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)); or

(ii) A person who is or holds itself out to be:

(*a*) A benevolent, educational, voluntary health, philanthropic, humane, patriotic, religious, or eleemosynary organization;

(*b*) For the benefit of law enforcement personnel, firefighters, veterans, or other persons who protect the public safety; or

(*c*) A person who solicits or obtains contributions solicited from the public for charitable purposes;

(B) Includes a chapter, branch, area, office, or similar affiliate or person soliciting contributions within this state for a charitable organization that has its principal place of business outside this state; and

(C) Does not include an authorized individual who solicits, by authority of the organization, solely on behalf of a registered or exempt organization or on behalf of an organization excluded from the definition of charitable organization; and

(3) "Charitable purpose":

(A) Means:

(i) A purpose described in section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)); or

(ii) A purpose to achieve:

(*a*) A benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other eleemosynary objective; or

(*b*) An objective that benefits law enforcement personnel, firefighters, veterans, or other persons who protect the public safety; and

(B) Is not limited to only those purposes for which contributions are tax deductible under section 170 of the Internal Revenue Code (26 U.S.C. § 170).

48-101-402.

If the holder of property that has a beneficiary designation has been notified of the death of the owner of the property, then the holder of the property shall, within ten (10) business days, use reasonable efforts to provide to each charitable organization listed under the beneficiary designation:

(1) Notice that the charitable organization may have a right to the property; and

(2) The contact information of the holder of the property.

48-101-403.

(a) If a charitable organization is a beneficiary of an interest in property created by beneficiary designation, then the charitable organization may present an affidavit to the holder of the property or to another person with information about the property for the purpose of obtaining the property or information regarding the property. The affidavit must:

(1) State all of the following:

(A) The decedent's name and last known address;

(B) A general description of the property to the extent known;

(C) The charitable organization's name, address, and primary contact information;

(D) The charitable organization is a charitable organization;

(E) A request that the property be paid or transferred to the charitable organization or that information about the property be given to the charitable organization;

(F) An entity or individual other than the charitable organization does not have a right to the interest in the property listed in the affidavit;

(G) The affidavit has been signed by a duly authorized representative of the charitable organization under penalty of perjury before a notary public; and

(H) The information in the affidavit is true and correct; and

(2) Be accompanied by all of the following, unless voluntarily waived by the holder of the property:

(A) A copy of the charitable organization's determination letter from the internal revenue service recognizing its tax-exempt status;

(B) A copy of the charitable organization's certificate of existence issued by the secretary of state as conclusive evidence that the domestic or foreign corporation is in good standing; provided, however, that if the charitable organization is a church or religious organization that is not required under state law to obtain or maintain a certificate of existence, the organization may instead provide a sworn statement attesting to its status as a church or religious organization and its authority to act as beneficiary;

(C) A statement that on information or belief of the affiant, the property owner is deceased, supported by one (1) or more of the following forms of reasonably reliable documentation:

(i) A certified or uncertified copy of the decedent's death certificate;

(ii) Probate notice published by the personal representative of the decedent's estate; or

(iii) Other official or governmental documentation evidencing the decedent's death;

(D) A corporate resolution or similar statement of authority of the affiant to act on behalf of the charitable organization; and

(E) Internal Revenue Service Form W-9 completed by an authorized representative of the charitable organization.

(b) The holder of the property shall not:

(1) Request any additional personal information from an individual employed by, or serving on the board of, the charitable organization, including the individual's:

(A) Social security number;

(B) Driver license number; provided, that if an individual appears in person to deliver or present an affidavit under subsection (a) for the purpose of claiming or receiving property, the holder of the property may request presentation of a valid government-issued photo identification solely to verify the identity of the individual presenting the affidavit and the individual's authority to act on behalf of the charitable organization; identification is not required for claims submitted by mail, electronic transmission, or other non-in-person means;

(C) Date of birth;

(D) Passport;

(E) Home address or phone number;

(F) Annual income, including child support;

(G) Value of personal assets or sources of income;

(H) Marital status;

(I) Number of dependents;

(J) Spouse's maiden name;

(K) Contact information; or

(L) Other personal financial information;

(2) Require an individual employed by or serving on the board of a charitable organization to undergo a credit check or criminal background check;

(3) Require the charitable organization to open an account or otherwise become a customer of a specific financial institution; or

(4) Require co-beneficiaries to submit claims simultaneously or impose coordination deadlines among co-beneficiaries; provided, that this subdivision (b)(4) does not prohibit a holder of property from requiring simultaneous submission or disbursement where the holder's standard account administration practices require full and final distribution for the property at one (1) time in order to close the account or avoid ongoing administrative, regulatory, or financial risk; provided, that the holder of the property has used commercially reasonable efforts to notify each of the charitable beneficiaries that they are an account beneficiary and that the holder of the property has provided to each of the charitable beneficiaries the forms necessary to claim the proceeds. Notwithstanding another law to the contrary, a holder of property may disclose the name of each entity named as a charitable co-beneficiary to the other charitable co-beneficiaries solely for the purpose of this subdivision (b)(4); provided, that an individually named beneficiary's identity must not be disclosed.

(c)(1) Except as provided in subdivision (c)(2), where one (1) or more charitable beneficiaries have submitted a complete affidavit under this section, the holder of property shall distribute the proceeds no later than the following, whichever occurs first:

(A) Ninety (90) days after the receipt of the first complete affidavit; or

(B) Sixty (60) days after receipt of all required affidavits from identifiable beneficiaries.

(2) If there is a good faith dispute or uncertainty regarding who is entitled to receive the decedent's property, then the holder has an additional sixty (60) days to distribute the proceeds if the holder sends notice to all potential beneficiaries within the applicable time period specified in subdivision (c)(1).

(d) If the requirements of this section are satisfied, then all of the following apply:

(1) The decedent's property must be paid, delivered, or transferred to or for the benefit of the charitable organization if the affidavit has requested the transfer of ownership of the property to the charitable organization;

(2) A transfer agent of a security described in the affidavit shall change registered ownership on the books of the corporation from the decedent to or for the benefit of the charitable organization if the affidavit has requested the transfer of ownership of the property to the charitable organization; and

(3) The information requested in the affidavit must be delivered to the organization.

48-101-404.

(a) The holder of the property or a person who in good faith delivers the property or information requested in reliance on information a charitable organization provides under § 48-101-403 and who does not have knowledge that the representations contained in the affidavit are incorrect, is not liable to any person for delivering the property or information, and may assume without inquiry the existence of the facts contained in the affidavit. This subsection (a) does not create a presumption that a holder of property who in good faith delivers property or information to a charitable organization named as a beneficiary based on less than the full documentation listed above has been negligent.

(b) An entity or individual who receives a request for property or information from a charitable organization in accordance with § 48-101-403 shall verify the charitable organization's authority within sixty (60) days from the date of delivery of the affidavit.

(c) A right or title acquired from the charitable organization in consideration of the provision of property or information under this section is not invalid in consequence of misapplication by the charitable organization. A transaction or lien created by a transaction entered into by the charitable organization and a person acting in reliance on the affidavit provided by the charitable organization is enforceable against the property that the charitable organization has requested.

48-101-405.

(a) If the holder of a property refuses to provide the requested property or information within sixty (60) days after receiving a complete affidavit and all required accompanying documentation from a charitable organization in accordance with § 48-101-403, or sixty (60) days thereafter if there is a good faith dispute as provided in § 48-101-403(c)(2), then the charitable organization may bring an action against the holder of the property to recover the property, receive the information, or compel the delivery of the property. An action brought under this section must be brought within one (1) year after the date of the act or failure to provide the requested property or information. If the court finds that the holder of the property acted unreasonably in failing to deliver the property or information as requested in the affidavit, then the court may award to the charitable organization any or all of the following:

(1) Actual damages;

(2) Punitive damages of not less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000); and

(3) Court costs and reasonable attorney fees.

(b) For purposes of this section, an affidavit is deemed complete when the charitable organization has provided all information and documentation expressly required under § 48-101-403(a), and the holder has not notified the charitable organization in writing of any specific deficiency within sixty (60) days from the date of delivery of the affidavit and required information and documentation.

48-101-406.

This part does not apply to any insurance policy, annuity contract, or other product regulated under title 56.

SECTION 2. This act takes effect July 1, 2026, the public welfare requiring it, and applies to conduct occurring and causes of action arising on or after that date.

SENATE BILL NO. 2642

PASSED: March 30, 2026

Randy McNally
RANDY McNALLY
SPEAKER OF THE SENATE

CAMERON SEXTON, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 14th day of April 2026

Bill Lee
BILL LEE, *GOVERNOR*