



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4206

by Rep. Jennifer Gong-Gershowitz

SYNOPSIS AS INTRODUCED:

New Act

Creates the Charitable Organization Beneficiary Act. Requires a holder of property in which a charitable organization that is exempt from taxation as a 501(c)(3) entity is a designated beneficiary in a nonprobate instrument (excluding wills or trusts) to notify each charitable organization within 30 business days that it may have a right to the property. Creates a process in which the charitable organization may request that it be given information about the property or that the property be delivered to the charitable organization or both. Provides duties and obligations of the holder of the property. Provides the holder of the property protection from liability for a good faith reliance on the information it receives from a designated beneficiary. Provides remedies against a holder of property for a failure or refusal to provide the requested information or transfer of property if the provisions of the Act are followed. Defines terms.

LRB104 16254 JRC 29638 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Charitable Organization Beneficiary Act.

6 Section 5. Definitions. As used in this Act:

7 "Beneficiary designation" means the provision in an
8 instrument designating a beneficiary, other than in a will or
9 an instrument creating a trust, and may also mean the
10 instrument itself, including, but not limited to, any of the
11 following:

12 (1) an annuity or insurance policy;

13 (2) an account with a designation for payment upon
14 death;

15 (3) a security registered in beneficiary form;

16 (4) a pension, profit-sharing plan, retirement account
17 such as an IRA, 401k, 403b, or other employment-related
18 benefit plan; or

19 (5) any other nonprobate asset transferable upon
20 death.

21 "Charitable organization" means an entity that is exempt
22 from taxation under Section 501(c)(3) of the Internal Revenue
23 Code.

1 Section 10. Notice of death of owner of property. If the
2 holder of property that has a beneficiary designation has been
3 notified of the death of the owner of the property, the holder
4 of property must within 30 business days provide notice to
5 each charitable organization listed under the beneficiary
6 designation that the charitable organization may have a right
7 to the property and provide the charitable organization with
8 the name of the owner of the property, contact information of
9 the holder of the property, and a general description of the
10 property held for the benefit of the charitable organization.

11 Section 15. Charitable organization affidavit of interest
12 in property.

13 (a) If a charitable organization is a beneficiary of an
14 interest in property created by beneficiary designation, that
15 charitable organization may present an affidavit to the holder
16 of the property or to any person with information about the
17 property to obtain the property or information regarding the
18 property. The affidavit must state all of the following:

19 (1) the decedent's name and last known address to the
20 extent known;

21 (2) a general description of the property to the
22 extent known;

23 (3) the charitable organization's name, address, and
24 primary contact information;

1 (4) the charitable organization is a charitable
2 organization;

3 (5) a request that the property be paid, delivered, or
4 transferred to the charitable organization or that
5 information about the property be given to the charitable
6 organization;

7 (6) no one other than the charitable organization has
8 a right to the interest in the property listed in the
9 affidavit to the extent known;

10 (7) the affidavit has been signed by an authorized
11 representative of the charitable organization under
12 penalty of perjury before a notary public as provided in
13 the Notary Public Act; and

14 (8) the information in the affidavit is true and
15 correct to the best of the affiant's knowledge or belief.

16 (b) The affidavit must be accompanied by all of the
17 following:

18 (1) a copy of the charitable organization's
19 determination letter from the Internal Revenue Service
20 recognizing its tax-exempt status;

21 (2) a copy of the charitable organization's
22 Certificate of Good Standing issued by the Secretary of
23 State;

24 (3) a death certificate of the decedent, probate
25 notice published by the personal representative of the
26 decedent's estate, proof of payment of the decedent's

1 funeral expenses, or the decedent's obituary as
2 verification of the decedent's death;

3 (4) a corporate resolution or similar statement of
4 authority of the affiant to act on behalf of the
5 charitable organization; and

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

8 Section 20. Duties of the holder of the property.

9 (a) The holder of the property may not do any of the
10 following:

11 (1) require the charitable organization to establish
12 an account with the holder of the property or otherwise
13 become a customer of the holder of the property;

14 (2) require co-beneficiaries to submit claims
15 simultaneously or impose coordination deadlines among
16 co-beneficiaries; or

17 (3) delay payment to any co-beneficiary if other
18 co-beneficiaries have not submitted their claim
19 documentation.

20 (b) The holder of the property may not request any
21 additional personal information from any individual employed
22 by or serving on the board of the charitable organization,
23 including, but not limited to, any of the following:

24 (1) Social security number or driver's license number;

25 (2) personal contact information, including home

1 address;

2 (3) personal financial information;

3 (4) date of birth;

4 (5) passport;

5 (6) annual income;

6 (7) value of personal assets;

7 (8) credit checks;

8 (9) criminal background checks;

9 (10) marital status;

10 (11) number of dependents; or

11 (12) spouse's maiden name.

12 Section 25. Transfer of property. If the requirements of
13 this Act are satisfied, the holder of the property must do
14 either or both of the following:

15 (1) Pay, deliver, or transfer to or for the benefit of
16 the charitable organization if the affidavit has requested
17 the transfer of ownership of the property to the
18 charitable organization; or

19 (2) Deliver the information requested in the affidavit
20 to the charitable organization.

21 Section 30. Good faith reliance on information given to
22 the holder. The holder of the property and any person who in
23 good faith delivers the property or information requested in
24 reliance on the information a charitable organization provides

1 under this Act, who has no knowledge that representations
2 contained in the affidavit are incorrect, is not liable to any
3 person for so acting and may assume without inquiry the
4 existence of the facts contained in the affidavit. The time to
5 verify a charitable organization's authority may not exceed 30
6 days from the date of delivery of the affidavit. Any right or
7 title acquired from the charitable organization in
8 consideration of the provision of property or information
9 under this Act is not invalid because of an inadvertent
10 misapplication by the charitable organization. A transaction
11 and a lien created by a transaction entered into by the
12 charitable organization and anyone acting in reliance on the
13 affidavit under this Act is enforceable against the property.

14 Section 35. Failure or refusal of holder of the property
15 to act. If the holder of the property fails or refuses to
16 provide the requested property or information within 30 days
17 after receiving the affidavit, the charitable organization may
18 bring an action against the holder of the property to receive
19 the information about the property or recover the property or
20 compel the delivery of the property. An action brought under
21 this Act must be brought within one year after the date of the
22 act or failure to act. If the court finds that the holder of
23 the property acted unreasonably in failing to provide the
24 requested information or recover the property or deliver the
25 property, the court may award to the charitable organization

1 any or all of the following:

2 (1) immediate delivery of the requested information or
3 delivery or recovery of the property or value of the
4 property;

5 (2) damages sustained by the charitable organization;

6 (3) costs of the action;

7 (4) a penalty in an amount determined by the court
8 between \$500 and \$10,000; or

9 (5) reasonable attorney's fees based on the value of
10 the time reasonably expended by the attorney and not by
11 the amount of the recovery on behalf of the charitable
12 organization.