UNFINISHED BUSINESS

Bill No: SB 1288
Author: Laird (D), et al.
Amended: 8/17/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 11-0, 4/14/26
AYES: Umberg, Niello, Allen, Caballero, Durazo, McNerney, Reyes, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Ashby, Valladares

SENATE FLOOR: 37-0, 5/18/26
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Jones, Niello, Padilla

ASSEMBLY FLOOR: 70-3, 8/24/26 - See last page for vote

SUBJECT: Property: nonprobate transfer of ownership

SOURCE: CalNonprofits
San Diego Humane Society
Valley Humane Society

DIGEST: This bill seeks to establish a streamlined process under the Uniform Transfer-on-Death (TOD) Security Registration Act for a nonprofit corporation, a charitable trust, or an entity exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986. This bill requires a registering entity upon receipt of information establishing knowledge of death of all owners of the security to initiate its beneficiary notification process; make a reasonable and good-faith effort to notify each named beneficiary; specifies what documentation establishes knowledge of death and legal identity of a nonprofit corporation, a

charitable trust, or an entity exempt from federal taxation; and prohibits a registering entity from requiring a beneficiary to open an account to receive a security or from providing personal information.

Assembly Amendments require a registering entity to initiate its beneficiary notification process upon receipt of information establishing knowledge of death of all owners of a security, specifies how "a reasonable and good-faith effort" is satisfied, specifies when compliance is not required by a registering entity, and requires a beneficiary to receive their designated share within 6- days of providing all required documentation, except in certain circumstances.

ANALYSIS:

Existing law:

1) Existing law, the Uniform TOD Security Registration Act, provides for the transfer of the ownership or proceeds of a security upon the death of the owner, without probate or estate administration. (Probate (Prob.) Code §§ 5500 et seq.)

2) Authorizes a registering entity offering to accept registrations in beneficiary form to establish the terms and conditions under which it will receive requests for:
   a) registrations in beneficiary form; and
   b) implementation of registrations in beneficiary form, including requests for cancellation of previously registered TOD beneficiary designations and requests for reregistration to effect a change of beneficiary. (Prob. Code § 5510(a).)

3) Authorizes the terms and conditions established under 2), above, to provide for:
   a) proving death;
   b) avoiding or resolving any problems concerning fractional shares;
   c) designating primary and contingent beneficiaries; and
   d) substituting a named beneficiary's descendants to take in the place of the named beneficiary in the event of the beneficiary's death. (Prob. Code § 5510(b).)

4) Provides that upon the death of a sole owner or the last to die of all multiple owners, ownership of securities registered in beneficiary form passes to the beneficiary or beneficiaries who survive all owners.
   a) On proof of death of all owners and compliance with any applicable requirements of the registering entity, a security registered in beneficiary

form may be reregistered in the name of the beneficiary or beneficiaries who survive the death of all owners. (Prob. Code § 5507.)

5) Provides that a registering entity is discharged from all claims to a security by the estate, creditors, heirs, or devisees of a deceased owner if it registers a transfer of the security in accordance with 4), above, and does so in good faith reliance on:
   a) the registration;
   b) the Uniform TOD Security Registration Act; and
   c) information provided to it by affidavit of the personal representative of the deceased owner, or by the surviving beneficiary or the surviving beneficiary's representatives, or other information available to the registering entity. (Prob. Code § 5508(c).)

6) Specifies that the protections of the Uniform TOD Security Registration Act do not extend to a reregistration or payment made after a registering entity has received written notice from any claimant to any interest in the security objecting to implementation of a registration in beneficiary form. (Prob. Code § 5508(c).)

This bill:

1) Requires a registering entity that receives information establishing knowledge of death of all owners of a security to initiate its beneficiary notification process.
   a) Information establishing knowledge of death includes a certified informational copy of a death certificate, a Consular Report of Death Abroad, a presumption of death order, a Death Master File match, or other information in a registered entity's records from which the registered entity should know that the owner has died.
   b) Only one such document from any party is required to begin the process.

2) Requires a registering entity, upon information establishing knowledge of death, to make a reasonable and good-faith effort to notify each named beneficiary within 60 days. A "reasonable and good faith effort" is satisfied by, acting on information provided in the client's records and information provided by the decedent, executor, trustee, or other credible source.

3) Prohibits a registering entity from requiring a beneficiary to open an account in order to receive ownership of the registered securities.

a) A registering entity must make reasonable efforts to streamline transfers of securities.
b) If there is more than one beneficiary, a registering entity cannot require the beneficiaries to submit claims simultaneously or impose coordination deadlines among co-beneficiaries. If there is more than one beneficiary, no more than one beneficiary can be required to submit proof of death of the owner or owners.

4) Requires a beneficiary that has provided all required documentation to receive their designated share within 60 days of providing all required documentation, except if certain circumstances exist.

5) Provides that a registering entity that originates or transfers securities in reliance on documentation that complies with this section shall be discharged from all claims to the security by the estate, creditors, heirs, or devisees of a deceased owner to the same extent, and subject to the same requirements, described in Section 5508 of the Probate Code.

6) Provides the legal identity of a nonprofit corporation, a charitable trust, or an entity exempt from federal taxation is established by providing to the registering entity a federal employer identification number (EIN), telephone number, and mailing address. The registering entity shall not require an individual associated with the beneficiary entity to provide personal identifying information.

7) Provides that compliance with is not required if it would cause a registering entity to violate federal or state law.

Comments

When a person dies, (referred to as the decedent) their assets are generally distributed through a will or by intestate succession and are usually subject to probate administration. Probate administration involves a court proceeding to administer the decedent's estate by: deciding if a will exists, and if so, if it is valid; who are the decedent's heirs or beneficiaries; how much the decedent's estate is worth; taking care of the decedent's unresolved debts; and transferring the decedent's property to the heirs or beneficiaries.[1] Existing law provides for various ways to transfer property outside of formal probate administration, including transfer-on-death or payable-on-death accounts under the Uniform TOD Security

[1] Cal. Courts, *Guide to property after someone dies* (2026), available at **https://selfhelp.courts.ca.gov/probate**.

Registration Act (Act). This act authorizes a registering entity (entity that holds the security) to establish a process for designating beneficiaries and proving death, avoiding or resolving any problems concerning fractional shares, designating primary and contingent beneficiaries, and substituting a named beneficiary's descendants to take in the place of the named beneficiary in the event of the beneficiary's death. (Prob. Code § 5510(b).)

According to the author and sponsors of the bill, nonprofits have been encountering issues in receiving or claiming securities for which they are beneficiaries. One issue they identify is not being informed by a registering entity that they are a beneficiary on an account when the account owner dies. Another obstacle nonprofits have encountered is being required to provide inconsistent documentation and administrative hurdles. The sponsors note that registering entities may require a nonprofit to open an account with the registering entity in order to disburse the security to the nonprofit, and may request personally identifying information of nonprofit employees or board members in order to open such accounts. Another situation nonprofits have encountered is registering entities requesting duplicative or burdensome verification requirements. One example provided to Committee staff is when multiple nonprofits may be a beneficiary on an account and the registering entity requires each separate beneficiary to provide a death certificate for the account holder. The sponsors note that this serves no purposes as a registering entity can verify proof of death of an account owner when it receives a death certificate from any one beneficiary. They write that this bill "does not create new beneficiary rights or alter estate plans; it simply ensures that existing designations are administered transparently, efficiently, and consistent with donor intent."

To address the issues identified above, this bill requires registering entities to make a reasonable and good faith effort to notify named beneficiaries within 60 days of receipt of information establishing knowledge of death of all owners of a security. This can be a certified informational copy of a death certificate, a Consular Report of Death Abroad, a presumption of death order, a Death Master File match, or other information in a registered entity's records from which the registered entity should know that the owner has died. A registering entity can only require one document from any party to begin the beneficiary notification process. This bill allows a nonprofit or charitable beneficiary to provide their federal employer identification number (EIN) and mailing address for identification purposes and prohibits requiring any individual associated with the beneficiary entity to provide personal identifying information.

This bill requires a registering entity to make reasonable efforts to streamline transfers of securities and prohibits requiring beneficiaries to submit claims simultaneously or imposing coordination deadlines among co-beneficiaries. A beneficiary that has provided all required documentation is to receive their designated share within 60 days of submitting all required documentation, with certain limited exceptions. A registering entity is also prohibited from requiring a beneficiary to open an account to receive the security. Under this bill, a registering entity that originates or transfers securities in reliance on documentation that complies with this bill is discharged from all claims to the security by the estate, creditors, heirs, or devisees of a deceased owner to the same extent as a registering entity already is under the Act when they act in good faith reliance. (*See* Prob. Code § 5508(c).) This bill specifies that a registering entity is not required to comply with this bill if it would cause a registering entity to violate federal or state law.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 8/24/26)

CalNonprofits (Co-source)
San Diego Humane Society (Co-source)
Valley Humane Society (Co-source)
Alan Hu Foundation
Animal Legal Defense Fund
Animal Save Movement
Animal Shelter Assistance Program
Aspira Philanthropy Lab
Association for Environmental and Outdoor Education
Association of California Symphony Orchestras
Autism Society Inland Empire Inc.
Berkeley-east Bay Humane Society
Best Friends Animal Society
Calaveras Humane Society
California Academy of Sciences
California Animal Welfare Association
California Association of Zoos and Aquariums
California Community Living Network
Cameo Network
Camp Ocean Pines, Inc.
Cancer Support Community San Francisco Bay Area
Center for Living and Learning

Chicas Mom, Inc.
Children's Fund
Chrysalis
Community Environmental Council
Creative Alternatives
Crop Swap LA
East Bay SPCA
Equality California
Foothill Family
Habitat For Humanity California
High Desert Community Foundation
Hospice Help Network
Humane Animal Services
Humane Society for Inland Mendocino County
Humane Society for Imperial County
Impact Fund
Inland Valley Humane Society & SPCA
Joybound People & Pets
Kitchens for Good
KQED Inc
Los Padres ForestWatch
Lumina Alliance
MAAC
Marin Shakespeare Company
Meals on Wheels Orange County
Media Alliance
Michelson Center for Public Policy
Microenterprise Collaborative of Inland Southern California
Monterey Bay Aquarium
Nature for All
Newport Beach Public Library Foundation
Oceanside Ivey Ranch Park Association
Orange County Coastkeeper
Palo Alto Humane Society
Pasadena Humane
PathPoint
Pets Lifeline
Rising Sun Center for Opportunity
Sacramento Philharmonic & Opera
Sacramento SPCA

Santa Barbara Humane Society
Santa Ynez Valley Humane Society
Sequoia Humane Society
SF SPCA
Silicon Valley Council of Nonprofits
Sonoma Land Trust
SPCALA
Starting Over Inc.
Starting Over Strong
The Impact Fund
Tia Chucha's Centro Cultural
Tracy Community Connections Center
Tuleyome
Union Station Homeless Services
Woods Humane Society
YMCA of Silicon Valley

OPPOSITION: (Verified 8/24/26)

None received

ARGUMENTS IN SUPPORT: The author writes:

> When someone names a beneficiary, whether a family member, loved one, or nonprofit they believe in, they're expressing their values and the legacy they hope to leave behind. We have a responsibility to honor that dying wish. Senate Bill 1288 ensures that beneficiaries are made aware of funds left to them, sets reasonable verification standards, and streamlines administrative barriers to ensure gifts reach loved ones and the communities they were intended to serve without unnecessary hurdles or delays.

The sources of the bill, CalNonprofits, the San Diego Humane Society, and the Valley Humane Society, write in support stating that this bill will:

> [….] protect donor intent and ensure that charitable beneficiary designations are honored efficiently and without unnecessary administrative barriers.
>
> Each year, Californians designate nonprofit organizations as beneficiaries of retirement accounts, brokerage accounts, and other transfer-on-death or payable-on-death assets with the expectation that those gifts will pass directly and outside of probate. These nonprobate transfers are intentionally structured to avoid court supervision, reduce costs, and ensure timely distribution. Yet, under

current law, there is no clear requirement that financial institutions notify charitable beneficiaries when an account holder dies. As a result intended gifts may sit dormant, face prolonged delays, or ultimately transfer to the state as unclaimed property despite clear beneficiary designations. […]

SB 1288 establishes clear, reasonable standards to modernize California law and ensure nonprobate transfers function as donors intended. […]

ASSEMBLY FLOOR: 70-3, 8/24/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Ellis, Johnson, Macedo
NO VOTE RECORDED: Flora, Hadwick, Hoover, McKinnor, Ta, Tangipa

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
11/6/26 9:34:01

****** END ******