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UPDATE: New Legislation in California Addressing Online Charitable Fundraising Platforms

September 30, 2026 Update:

After the original publication of our post below, AB 2221 was further amended in the Senate, and has since been **signed into law** by Governor Newsom.

Among other changes, these further amendments modified AB 2221 by:

- Changing the good standing default to 15 days from the date of filing, rather than 10, for newly registering organizations and for organizations submitting filings to cure an expiration or delinquency, and delaying the effective date of this and related provisions until January 1, 2028;
- Restoring the ability of Platforms to rely on electronic lists published by the Franchise Tax Board or the Attorney General when determining the good standing of a charity;
- Reducing disclosure requirements for certain Platforms that solicit users at the time of checkout to make a donation of no more than ten dollars ($10), which may be adjusted for inflation.

Original Post:

California Assembly Bill 2221 ("AB 2221"), which would amend California's charitable fundraising platform law, commonly referred to as "AB 488," has passed the California Legislature. It will now be forwarded to the Governor for signature. We are tracking this legislation, which was introduced by Assembly Member Jacqui Irwin and amended twice since, as part of our **ongoing commitment** to closely monitor developments relating to AB 488.

If enacted, the bill will make a number of notable changes to current law (note you can find more background at the above link on the existing AB 488-related requirements that AB 2221 would modify). Many of the proposed changes are specific to charitable fundraising platforms and platform charities ("Platforms"), while others would affect all organizations subject to the Supervision of Trustees and Fundraisers for Charitable Purposes Act in California (the "Act"). We encourage organizations to consider how those changes, if enacted, could affect existing compliance practices, effective January 1, 2027.

With respect to Platforms, AB 2221 would:

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Nonprofit Law Matters looks at legal issues in the nonprofit and tax-exempt organizations world. Written by the attorneys and paralegals of Adler & Colvin, it provides updates and analysis regarding philanthropy, charity, and other exempt organization issues.

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- Discontinue reliance on specified electronic lists published by the California AttorneyGeneral to determine whether recipient charitable organizations ("recipients") are in good standing, as well as the provision excusing compliance if those lists are not published. This could lead to more manual verifications by Platforms of the good standing of recipients before soliciting, permitting, or otherwise enabling solicitations, or receiving, controlling, or distributing funds from donations for such recipients.
- Remove federal tax-exempt status from the definition of "good standing." In other words, loss of federal tax-exempt status would not disqualify a recipient from receiving funds via a Platform.
- Require disclosures to donors about a Platform's method for alternative distribution of funds if an intended recipient is not eligible to receive such funds.
- Mandate that fund distribution to recipients connected to solicitation types A and B (which cover direct and peer-to-peer solicitations) must be at least quarterly, and may be subject to a minimum threshold amount (not to exceed $10), effectively mirroring the rules already in place for Platforms engaged in solicitation types C and D (which cover commercial co-venture type solicitations). The Attorney General is directed, under the current draft of AB 2221, to put in place rules and regulations to make this adjustment.

For all organizations subject to the Act, AB 2221 would:

- Require submitting all registrations, reports, and other filings with the Attorney General's Registry of Charities and Fundraisers (the "Registry) using the Attorney General's online filing service, and mandate modernization of that system by January 1, 2028, to support these requirements. This would include all initial registrations (Form CT-1), annual reports (Form RRF-1), and similar filings.
- Clarify that an organization's registration with the Registry may become delinquent under certain circumstances including (but not limited to) failure to timely file required reports or pay late fees.
- Significantly revise the process by which registered organizations become delinquent, adding written notice by the Attorney General identifying the deficiency, followed by two 60-day opportunities for an organization to respond. If the deficiency remains unresolved after that second cure period, the Attorney General would be required to issue a third notice informing the organization that its registration has become delinquent.
- Implement a new good standing default after ten days from the date of filing for newly registering organizations and for organizations submitting filings to cure an expiration or delinquency. If the Attorney General later finds such filings incomplete, they would be required to provide the organization with written notice and a 30-day cure period.
- Require the Attorney General to take administrative action (potentially in the form of a hearing or other administrative appeal process) before a registration may be suspended or revoked, and before a cease-and-desist order may be issued by the Attorney General.

We will continue to monitor AB 2221's progress. In the meantime, organizations subject to AB 488 and all charities registered to solicit in California should continue to comply with existing law while remaining attentive to any legislative changes that may affect their compliance obligations.