

Nonprofit Alert

February 2023

California Delays Registration of Charitable Fundraising Platforms Until January 2024

The California Attorney General's office has officially confirmed that while certain sections of the new law governing online charitable fundraising platforms (CA AB 488) are now effective, registration and most other compliance requirements of the new law are delayed until January 2024.

The new law (CA Gov. Code §12599.9) has been scheduled to become operative on Jan. 1, 2023, since it was [released in 2021](#). The assembly bill was the first of its kind to specifically regulate online charitable fundraising platforms. The statute included a number of requirements specific to these types of online platforms, including the need to register in California, to make certain disclosures to donors and to include certain provisions in agreements with the recipient charities hosted on the platforms. However, the statute itself deferred many of the details of these new requirements to regulations that the California Department of Justice and the California Attorney General's offices would promulgate.

In May 2022, [proposed regulations](#) were released and comments were requested by mid-June. The California Department of Justice and Attorney General's offices then processed and reviewed these comments until November 2022, when a modified set of proposed regulations was released and comments on the modifications were again requested.

To date, final regulations have not been released, which has left organizations and practitioners all wondering: How would the implementation of the new law be impacted come Jan. 1, 2023, when the statute formally became effective? That question has now been mostly



answered by the California Attorney General's office in a [statement](#) released on its website. As we anticipated, the statute is effective, but the registration requirements and numerous others have been delayed until January 2024, given the pending nature of the proposed regulations.

While charitable fundraising platforms are not required to register in California until at least January 2024, there are still some operative provisions of the new California statute that potential charitable fundraising platforms should be aware of and implement. These include the following key provisions, also highlighted by the California Attorney General's office:

- Charitable fundraising platforms should ensure that the charities they list on their platform are in compliance with the law's good-standing requirements for "recipient charities." The Attorney General's Registry of Charitable Trusts maintains a list of charities that may not operate or solicit in California. According to the California Attorney General's office, these platforms may also refer to Publication 78 from the Internal Revenue Service and the California Franchise Tax Board for confirmation of good standing.

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- Donations must not be diverted or misused, and must be maintained in a separate account from other funds belonging to a charitable fundraising platform or platform charity.
- Charitable fundraising platforms and platform charities are required to make disclosures that prevent the likelihood of donor deception or confusion.

Related Professionals

Diara M. Holmes. dholmes@loeb.com
Nerissa Coyle McGinn nmcginn@loeb.com
Kensington Wolgamott kwolgamott@loeb.com

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