

**ASSEMBLY PRIVACY AND CONSUMER PROTECTION COMMITTEE**  
**OUTCOMES REVIEW OVERSIGHT HEARING**

**Outcomes Review: AB 488 (Irwin, 2021) Charitable organizations: charitable fundraising platforms and platform charities**

Tuesday, February 17, 2026  
11 a.m. -- State Capitol, Room 437

**BACKGROUND PAPER**

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**I. INTRODUCTION**

This paper provides background for the Outcomes Review hearing on AB 488 (Irwin, Ch. 616, Stats. 2021), which expanded statutory provisions governing the Attorney General’s (AG) supervision of charities to include a new regulatory framework specific to charitable fundraising platforms and platform charities. AB 488 was the product of extensive, multi-year legislative efforts, culminating in its passage in 2021. The bill became operative in 2023, and the AG adopted implementing regulations in 2024.

The purpose of the Outcomes Review process is to assess, review, and improve implementation of key enacted legislation to ensure that the laws passed by the Legislature continue to improve the lives of Californians.<sup>1</sup> To this end, the Committee will hear testimony about AB 488’s outcomes from key stakeholders, including representatives from the Attorney General (AG)’s office, nonprofit organizations, and charitable fundraising platforms.

**II. HISTORY AND IMPLEMENTATION OF AB 488**

*The rise of online giving.* The internet has drastically shifted the way people communicate, work, shop, and even donate. Many charities followed their for-profit counterparts in creating an online presence and began using third party fundraising platforms, such as GoFundMe and PayPal, to simplify the process of soliciting and collect donations. However, charitable solicitation laws adopted before the internet did not have specific regulations that spoke to these fundraising platforms as they did for mail or telephone solicitations, leaving donors and charities vulnerable to potential abuses. For instance, some fundraising platforms were accused of withholding donations from charities.<sup>2</sup> Additionally, in 2020, PayPal Giving Fund settled a class action lawsuit was filed by almost two dozen states claiming that the platform did not provide

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<sup>1</sup> “Speaker Rivas Announces First-Of-Its-Kind ‘Outcomes Review’ Legislative Oversight Tool to Enhance Impacts of Laws,” <https://speaker.asmdc.org/press-releases/20260203-speaker-rivas-announces-14-assembly-lawmakers-first-its-kind-outcomes>.

<sup>2</sup> Zoe Ferguson, “PayPal faces class action over undelivered charity money,” <https://www.abc.net.au/news/2017-03-01/paypal-faces-class-action-over-undelivered-charity-money/8316024>

adequate transparency to donors about where donations were being sent.<sup>3</sup> All of these issues and others were amplified during the

COVID-19 pandemic, when online fundraising became the primary source of donations for many charities.<sup>4</sup>

***Past legislative efforts.*** Under California law, the AG oversees registered charities to ensure that funds received are properly managed and devoted to charitable programs. During her career, Assemblymember Irwin has spearheaded multiple legislative efforts to modernize the AG’s general enforcement authority over third-party charitable solicitations. AB 556 (Irwin, Ch. 299, Stats. 2015) strengthened the AG’s ability to enforce disclosure requirements for commercial fundraisers for charities by establishing a 10-year statute of limitations for enforcement actions against these commercial fundraisers. In 2018, Assemblymember Irwin introduced AB 2556, which would have added “charitable crowdfunding solicitations” to the AG’s regulatory oversight. The bill was held in the Appropriations Committee. In 2019, Assemblymember Irwin introduced AB 1539, which would have required written consent from a charitable organization before its name can be used in online solicitation. The bill was held in the Privacy and Consumer Protections Committee. And in 2020, Assemblymember Irwin introduced AB 2208, the predecessor to AB 488. AB 2208 was held in the Senate Appropriations Committee.

***AB 488.*** As stated by Assemblymember Irwin, “AB 488 is meant to address the recent growth of online charity giving platforms which has outpaced statute in a traditionally heavily regulated area of law. The bill provides new definitions to appropriately register, regulate and receive reports from these new entrants to the charitable solicitation field.”

The bill established that charitable fundraising platforms and platform charities are trustees for charitable purposes, subject to the AG’s supervision. “Charitable fundraising platform” refers to businesses that provide an online platform to Californians that enables acts of solicitation to occur. These acts can include soliciting donations intended for recipient charitable organizations, referencing charitable organizations to receive donations, permitting persons who use the platform to solicit donations intended for recipient charitable organizations, and providing a customizable platform to charitable organizations to solicit or receive donations through the platform. Charitable fundraising platforms are therefore typically consumer-facing websites or platforms that solicit donations on behalf of charitable organizations. Examples include GoFundMe, PayPal, Meta, and Givebutter.

Charitable fundraising platforms often partner with “platform charities,” which are actual charities that facilitate acts of solicitation on a charitable fundraising platform. Platform charities can enable donations to be made on a charitable fundraising platform without the active participation of the recipient charity itself:

[T]he platform charity may be responsible for obtaining consent from other charities referenced on a charitable fundraising platform for solicitation purposes, may receive and hold donations made on the platform, may provide tax donation receipts to those who made donations on the platform, may determine whether charities referenced in

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<sup>3</sup> Linda J. Rosenthal, “PayPal Giving Fund Settles Big Case,” <https://www.fplglaw.com/insights/paypal-giving-fund-settles-big-case/>

<sup>4</sup> Abigail Morse, “5 Years Since COVID: How Fundraising’s Changed and What It Means for You,” <https://virtuous.org/blog/5-years-since-covid-how-fundraisings-changed-and-what-it-means-for-you/>.

solicitations are eligible to be sent donations, and may send donations to the charities referenced in solicitations, among other responsibilities. Thus, it is possible that charities may not be actively involved in solicitations through charitable fundraising platforms, and that charities may not directly receive donations made through them. In some instances, charities may not have consented to the solicitations.<sup>5</sup>

For instance, PayPal is a registered charitable fundraising platform whereas PayPal Giving Fund, a registered 501(c)(3) that partners with PayPal to collect donations on behalf of recipient charitable organizations, is considered a platform charity.

AB 488 restricts platform charities and charitable fundraising platforms from soliciting or assisting with donations on behalf of charitable organizations that are in “good standing” – that is, the organization’s tax-exemption status has not been revoked by the Internal Revenue Service (IRS) or Franchise Tax Board (FTB), and the organization is not prohibited from soliciting or operating in the state by the AG. Platform charities must also register with the AG, and any partnership between platform charities and charitable fundraising platforms must be disclosed to the AG. Additionally, charitable fundraising platforms and platform charities must file annual reports with the AG’s Registry of Charities and Fundraisers (Registry) to ensure compliance, and these entities are required to provide conspicuous disclosures to potential donors prior to completion of the donation. These entities are prohibited from misusing donation funds and must promptly ensure that donations and grants are sent to recipient charitable organizations with an accounting of any fees imposed.

As described above, AB 488 was the culmination of an intensive, multi-year engagement with diverse stakeholders to address multiple concerns from differing parties, garnering large-scale support from multiple stakeholders. AB 488 was sponsored by Attorney General Rob Bonta, whose office said of the bill:

AB 488 would enable the Attorney General to exercise proper supervision over Internet platform operators. First, the bill ensures a level playing field for all platforms, regardless of business model, by defining two new groups of entities, “charitable fundraising platforms” and “platform charities” that are subject to the Act. This bill would also require platform entities to provide meaningful and conspicuous disclosures on the platforms, promptly distribute donations made through platforms, and prohibit solicitations for charities not in good standing with the Attorney General’s Registry. Third, AB 488 would permit some instances of soliciting for a charity without prior consent if certain criteria that safeguard against harm to charities and the public are met. Finally, the bill would authorize the AGO to promulgate regulations to require donor notification and reporting requirements, and to encourage transparency and accountability.

Attorney General Bonta is proud to sponsor AB 488, and reaffirms his commitment to promote transparency, guard the public from fraud or misrepresentation, and ensure a level playing field.

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<sup>5</sup> California Department of Justice, Attorney General’s Guide for Charities (Sep. 26, 2024) p. 76, <https://oag.ca.gov/system/files/media/Guide%20for%20Charities.pdf>.

The California Association of Nonprofits, which supported the bill, stated that: “AB 488 is closely aligned with CalNonprofits’ online fundraising principles and will provide much-needed oversight of online fundraising platforms.”

PayPal, which also supported the bill, stated that:

During these unprecedented times, the work and vital services provided by non-profits and charities are needed by the public more than ever. Innovative policies and timely resources will ensure that these necessary relief efforts continue through the challenging times ahead. Responding charities and non-profits are in urgent need of the funding we, and other platforms like ours, can provide. We believe AB 488 provides a path forward to offer California charities and non-profits a critical source of funding.

AB 488 was signed into law in 2021 and became operative January 1, 2023. The AG’s office issued final regulations on AB 488 in March 2024.<sup>6</sup> The regulations define various terms, set forth registration and filing requirements, specify the requirements for certain forms, establish procedures for solicitation and disbursement of donations, and require disclosures in certain circumstances. In September 2024, the AG’s office released updated guidelines for charities that provided an overview of the regulatory requirements for charitable fundraising platforms.<sup>7</sup>

***Challenges with the good standing requirement.*** As mentioned above, AB 488 restricts platform charities and charitable fundraising platforms to enabling solicitations or assisting with donations for charitable organizations that are in “good standing” – that is, the organization’s tax-exempt status must not have been revoked by the IRS or the FTB, and the organization cannot be prohibited from soliciting or operating in the state by the AG. Charitable fundraising platforms and platform charities may determine good standing by relying on electronic lists periodically published by these agencies, provided that the lists are in a machine-readable structured data format.

According to some stakeholders, AB 488’s good-standing requirement has inadvertently placed charitable fundraising platforms in a difficult position.<sup>8</sup> These stakeholders report that the AG’s list of charities that are barred from operating in California, which is updated every two weeks, often contains charities that have committed relatively minor transgressions, such as failing to file an annual registration form on time. These charities are frequently unaware of their ineligibility. Meanwhile, platforms often must take corrective action with respect to donations intended for ineligible charities, including seeking an acceptable alternative charity within specified regulatory timelines. As this process is unfolding, the original charity may have

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<sup>6</sup> State of California Office of Administrative Law, Notice of Approval of Regulatory Action (Mar. 26, 2024), <https://oag.ca.gov/system/files/media/pf-oal-approval-letter.pdf>.

<sup>7</sup> California Department of Justice, Attorney General’s Guide for Charities (Sep. 26, 2024), <https://oag.ca.gov/system/files/media/Guide%20for%20Charities.pdf>.

<sup>8</sup> California Center for Nonprofit Law, “Charities Blocked from Receiving Online Donations for Failing to Meet CA Good Standing Requirement,” <https://npolawyers.com/blog/charities-blocked-from-receiving-online-donations-for-failing-to-meet-ca-good-standing-requirement/>.

restored its good standing, although its updated status will not be reflected until a new list is issued.<sup>9</sup> This process can leave charities in the lurch and frustrate donor intent.

To reduce delay and uncertainty in ascertaining good standing, in 2025, Assemblymember Irwin introduced AB 576, which would have enabled charitable fundraising platforms and platform charities to rely on application programming interfaces provided by the IRS, FTB, or AG. This would have allowed for real-time updates on good standing, reducing friction and uncertainty in online charitable giving. However, the bill was held in the Appropriations Committee.

### **III. QUESTIONS FOR THE COMMITTEE TO CONSIDER**

As the Committee hears from panelists during this Outcomes Review hearing, committee staff notes Members may consider asking the following questions of the panelists to explore the efficacy of the law.

- Are Californian charities and donors better served after the implementation of AB 488?
- Have the challenges and issues that gave rise to AB 488 been addressed? If so, have others risen in their place?
- Have there been unintended consequences, including reducing opportunities for charitable fundraising, due to the implementation of AB 488?

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<sup>9</sup> Karen I. Wu, “Has Your Organization been Blocked by Charitable Fundraising Platforms? It is likely due to California’s new ‘Good Standing’ requirement,” <https://perlmanandperlman.com/ab488-good-standing/>.