

**INVITATION FOR PRELIMINARY COMMENTS ON PROPOSED RULEMAKING
REGARDING TRANSACTIONS INVOLVING SUBSTANTIALLY ALL ASSETS OF ENTITIES
HOLDING ASSETS SUBJECT TO A CHARITABLE TRUST**

Background

In October 2021, the Governor approved AB 900 which adds Section 16106 to the Probate Code requiring trustees holding charitable assets to give written notice to the Attorney General at least 20 days before the trustee sells, leases, conveys, exchanges, transfers, or otherwise disposes of all or substantially all of the charitable assets. The notice requirement takes effect on July 1, 2022. The statute also requires the Attorney General to establish rules and regulations necessary to implement the section.

Invitation for Comments

In accordance with Government Code sections 11346, subdivision (b), and 11346.45, the Attorney General seeks input from stakeholders in developing regulations.

The public is invited to submit comments related to any issue regarding the implementation of this section. The Attorney General is particularly interested in receiving views and comments regarding the definition of “substantially all” within Probate Code section 16106 and Corporations Code section 5913. Stakeholders are not limited to providing comments in the areas identified by the Attorney General and may comment on any potential area for rulemaking.

Comments will assist the Attorney General in developing new regulations, determining whether changes to existing regulations are necessary, and achieving the law’s regulatory objectives in the most effective manner. The Attorney General invites stakeholders to propose specific language for new regulations and/or for changes to the existing regulations. Commenters are encouraged to review the short “Tips for Submitting Effective Comments” guide for help formulating and submitting effective comments, found here:

<https://oag.ca.gov/sites/all/files/agweb/pdfs/meeting/tips-effective-comments.pdf>

This invitation for comments is not a proposed rulemaking action under Government Code section 11346. This invitation for comments is part of the Attorney General’s preliminary rulemaking activities under Government Code section 11346, subdivision (b). The public will have the opportunity to provide additional comments on any proposed regulations or modifications when the Attorney General proceeds with a notice of proposed rulemaking action.

Time for Comments

The Attorney General invites interested parties to submit comments by **Thursday, March 31, 2022**.

Where to Submit Comments

You may submit comments by the following means:

Electronic

Comments may be submitted electronically to charities.regulations@doj.ca.gov. Please include “AB 900” in the subject line.

Mail

Sandra I. Barrientos, Deputy Attorney General
Office of the Attorney General
300 S. Spring Street, Suite 1702
Los Angeles, CA 90034

Contact Person

Questions regarding this Invitation for Comments may be directed to charities.regulations@doj.ca.gov.

Further Information

Information regarding the rulemaking process will be posted to <https://oag.ca.gov/regulations>.

If you would like to receive notifications regarding rulemaking activities, please subscribe to our email list here: <https://oag.ca.gov/regulations>. Please note that comments are public records and will be published on the Attorney General's website.