SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2116 (Schiavo) - Commercial financing

Version: July 2, 2026
Urgency: No
Hearing Date: August 13, 2026
Policy Vote: B. & F.I. 6 - 0, JUD. 13 - 0
Mandate: Yes
Consultant: Janelle Miyashiro

Bill Summary: AB 2116 expands the scope of the California Financing Law to cover specified commercial financing transactions offered to small businesses and establishes requirements and prohibitions on commercial financing providers and brokers engaged in such transactions.

*********** ANALYSIS ADDENDUM – SUSPENSE FILE ***********
The following information is revised to reflect amendments adopted by the committee on August 13, 2026

Fiscal Impact: The Department of Financial Protection and Innvoation (DFPI) estimates costs of $1.57 million in the first year and $1.46 ongoing (Financial Protection Fund) for an additional examiner, support staff, and one-time IT systems implementation expertise to implement the new licensure program. Annual assessment fees from licensees will help offset these ongoing administration and enforcement costs; however, actual revenues will depend on the number of licensees.

Author Amendments:

- Delay implementation to July 1, 2028.
- Revise commercial financing provider or broker prohibitions by deleting the provision that prohibits them from including contract terms authorizing the attachment or garnishment of any of a recipient's money held in a depository institution account.

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