

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON ECONOMIC DEVELOPMENT, GROWTH, AND
HOUSEHOLD IMPACT

José Luis Solache, Jr., Chair

AB 2583 (Hoover) – As Introduced February 20, 2026

SUBJECT: Office of Small Business Advocate: artificial intelligence

SUMMARY: This bill enacts the "AI for Main Street Act," requiring the Small Business Advocate to support small businesses in evaluating and integrating artificial intelligence into their operations.

Specifically, **this bill:**

- 1) Enacts the "AI for Main Street Act," which would require the Small Business Advocate to provide technical assistance to small businesses regarding artificial intelligence by providing information, guidance, training, developing educational materials, and conducting outreach. Specific focus areas include operational planning, data protection, intellectual property, cybersecurity, regulatory compliance, and customer trust.

EXISTING LAW:

- 1) Establishes the Office of Small Business Advocate within the Governor's Office of Business and Economic Development(GO-Biz) and prescribes the duties and functions of the Small Business Advocate.
- 2) Requires the advocate to, among other duties, serve as the principal advocate in the state on behalf of small businesses and to represent the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses.

FISCAL EFFECT: Unknown

COMMENTS:

Assembly Bill 2583, the "AI for Main Street Act," seeks to bridge the critical technical resource gap currently disadvantaging California's small businesses. It is the Author's intent to provide these businesses with the literacy and safety tools necessary to remain competitive as larger corporations rapidly adopt artificial intelligence.

Existing law defines the Small Business Advocate's role within the Governor's Office of Business and Economic Development (GO-Biz) as a general representative for small business interests. This bill expands those statutory duties to require the Office of Small Business Advocate (OSBA) to provide direct assistance, develop specialized training materials, and conduct targeted outreach regarding AI technologies.

The proposal specifically addresses the lack of dedicated technology teams in small firms, which leaves them vulnerable to cybersecurity threats and data breaches when experimenting with emerging tools. By mandating the creation of best-practice guidance on data protection and intellectual property, AB 2583 mitigates these security risks while promoting productivity gains in diverse and underserved communities.

Author’s Statement: According to the authors, “Small businesses are the backbone of California’s economy and community, and while the California Office of the Small Business Advocate provides resources and support to millions of small businesses, it is essential for these businesses to be trained effectively and securely on using new technology advancements like artificial intelligence. This bill requires the Office of Small Business Advocate to assist California small businesses on how to use artificial intelligence and incorporate it into standard business operations by providing training best practices, protecting data and intellectual property, improving cybersecurity, and conducting outreach to small businesses regarding potential AI adoption concerns. Technology, like artificial intelligence, will allow small businesses to be more competitive in today’s economy.”

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Council
Bizfed Central Valley
Calasian Chamber of Commerce
California Hispanic Chambers of Commerce
Los Angeles Chamber of Commerce
Nfib
Pasadena Chamber of Commerce
San Diego Regional Chamber of Commerce
San Francisco Chamber of Commerce
San Mateo County Chamber of Commerce
San Mateo County Economic Development Association (SAMCEDA)
Santa Barbara South Coast Chamber of Commerce
Silicon Valley Leadership Group
Technet

Opposition

None on file.

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