

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2583 (Hoover) – As Amended April 21, 2026

Policy Committee:	Economic Development, Growth, and Household Impact	Vote: 7 - 0
	Privacy and Consumer Protection	15 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill requires the Office of the Small Business Advocate (CalOSBA) to provide assistance to California small businesses on the use of artificial intelligence (AI) in business operations by providing guidance and best practices for using AI, developing training materials for incorporation of AI into business operations, and conducting outreach to small business concerns regarding the use of AI.

**FISCAL EFFECT:**

- 1) One-time General Fund costs of an unknown amount but likely ranging from \$750,000 to \$1.25 million for CalOSBA to execute one to two Requests for Proposals (RFP) to contract with a third party to develop and perform the training. According to GO-Biz, CalOSBA does not have the appropriate staff to implement the bill’s requirements.
- 2) Ongoing General Fund costs of approximately \$410,000 for GO-Biz to hire additional staff to develop the RFP and oversee implementation.

Given the bill’s broad prescription of required training to be developed and associated discretion provided to the department, it is not clear to the committee whether the costs cited are commensurate with the workload imposed by the bill.

**COMMENTS:**

- 1) **Purpose.** According to the author’s office:

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.

- 2) **Background.** With the proliferation of AI technology in the daily lives of Californians and its everyday use for both personal and business purposes, concerns like those of the author regarding its efficient use by small business have grown. Proponents of this bill, such as Google, the bill's sponsors, claim that while many small business have begun utilizing AI technology to improve their businesses, "without trusted resources, these businesses risk falling behind more sophisticated competitors or exposing themselves to cybersecurity threats, data vulnerabilities, and misuse of emerging technologies." This bill tasks CalOSBA with developing AI training for small businesses and promoting the incorporation of AI into business operations.

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