CONCURRENCE IN SENATE AMENDMENTS
AB 2795 (Committee on Banking and Finance)
As Amended August 20, 2026
Majority vote

SUMMARY

This is the omnibus Assembly Banking Committee bill. This bill makes corrections to the Franchise Law, allows the Department of Financial Protection and Innovation (DFPI) send annual assessment notices in a manner that is more efficient and cost effective, repeals outdate provisions of the Financial Code, and modernizes terms and requirements for State investments.

Senate Amendments
Removes amendments to section 31210 of the Corporations Code.

COMMENTS

This bill is the Assembly Committee on Banking and Finance's Omnibus Bill which addresses four areas:

1) *SAFE-BIDCO*

First, it repeals dead law, The State Assistance Fund for Enterprise Act of 1989. This law authorizes the creation of a nonprofit corporation called the State Assistance Fund for Enterprise, Business and Industrial Development Corporation (SAFE-BIDCO) for the general purpose of enhancing the availability of financial assistance for small businesses in California. There has been no substantive legislation since 2004 affecting this law other than one non-substantive change in 2016. There has been no litigation resulting in a published court decision on Division 15.5. SAFE-BIDCO became insolvent by 2017 and it was seized by the DPFP. SAFE-BIDCO was subsequently liquidated and then dissolved in 2023. This bill will repeal Division 15.5.

2) *Update to PMIA Bond Rating Requirement Language*

Second, it will modernize standards and clarification of eligible securities for the Pool Money Investment Accounts. The State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to help manage the State's cashflow, as well as provide investment options for local governments through the Local Agency Investment Fund (LAIF). The Investment Division of the Treasurer's office manages the PMIA on behalf of the Treasurer. Current legislation specifies eligible securities that the PMIA can purchase, and the Investment Policy division sets management goals for the PMIA of safety, liquidity and yield. However, the Government Code regulating these requirements has been amended over time using inconsistent benchmarks and now outdated terms to describe ratings. This bill would instead require those local bonds, notes, or other obligations and corporate bonds, debentures, and notes to be rated in a rating category of "A" or its equivalent or better by such an organization to be eligible for investment. This bill will also require that the paper be of "prime" quality of the highest ranking or of the highest letter and number rating, as defined by a statistical rating organization, and not exceed 397 days maturity, and update from the current 270 days.

3) *National Multistate Licensing System (NMLS)*

Third, the bill authorizes the DFPI to fulfill any notice requirement under any law or regulation related to the levy of a fee or assessment against any licensee or registrant by sending the notice of fee or assessment to an electronic service address, as specified. For any person licensed or registered through the Nationwide Multistate Licensing System and Registry (NMLS) the bill would also authorize the commissioner to fulfill these notice requirements by electronic communication through the NMLS.

4) *Correction Regarding Franchise Broker Law*

Finally, in 2024, SB 919 (Umberg) Chapter 518, Statutes of 2024 was enacted to require a franchise broker to register with the commissioner before engaging in certain activities as prescribed, particularly, it would make it unlawful for a franchise broker to offer or sell a franchise in this state unless the franchise broker is registered pursuant to these provisions. However, franchise brokers, to whom the measure was also meant to apply, are regulated in a different part of the Division. This amendment will make a correction to the section on exemptions to clarify the application to specified franchise brokers.

5) *Senate Amendments*

Amendments taken in the Senate were made due to late opposition who raised concerns over ambiguity of language. Due to a lack of time for meaningful discussion, the section is tabled for further debate in the interim.

According to the Author

Arguments in Support
"Currently, Government Code Section 16430, which governs PMIA bond rating requirements, has been updated inconsistently over time and contains outdated technology for defining ratings. AB 2795 addresses this issue by amending Section 16430 to clarify bond rating requirements for municipal bonds…commercial paper, and corporate bonds, while also establishing uniform language for eligible federal agency securities.

Clarifying this section of the code is essential to ensure that rating requirements for eligible investments are clearly defined and consistently applied, reducing ambiguity and improving the efficiency of the State's investment practices."—California State Treasurer

Arguments in Opposition
None received. Last verified 8/26/2026.

FISCAL COMMENTS

The following comments are from the analysis of the Assembly Appropriations Committee.

1) Potential minor cost savings to DFPI by allowing electronic notices instead of requiring mailed notices and eliminating the need to continuously update regulations to conform with each update of NMLS forms and instructions.

2) Minor and absorbable costs to the State Treasurer's Office (STO) to update rating requirements and conditions for certain securities.

VOTES:

ASM BANKING AND FINANCE: 9-0-0
YES: Valencia, Chen, Dixon, Fong, Krell, Michelle Rodriguez, Blanca Rubio, Schiavo, Harabedian

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Bauer-Kahan, Calderon, Caloza, Ellis, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 68-0-12
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Zbur, Rivas
ABS, ABST OR NV: Arambula, Chen, Gabriel, Garcia, Hoover, Lackey, Lowenthal, Ramos, Celeste Rodriguez, Schultz, Wicks, Wilson

UPDATED

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