

## ASSEMBLY THIRD READING

AB 685 (Solache)

As Amended January 12, 2026

2/3 vote. Urgency

**SUMMARY**

This bill establishes the Small Business Resiliency and Innovation Act, appropriating \$26 million from the General Fund to create the Small Business Resiliency and Innovation Fund. Administered by the California Office of the Small Business Advocate, the fund supports the Capital Infusion Program and the Small Business Technical Assistance Program, with GO-Biz required to report expenditures to the Legislature by January 1, 2030.

**Major Provisions****COMMENTS**

The Small Business Technical Assistance Program (SB-TAP) and the Capital Infusion Program (CIP), administered by the Office of the Small Business Advocate, provide a coordinated support system for California small businesses by offering free or low-cost advising, training, and assistance accessing capital, including microgrants through the California Dream Fund which is currently closed. This bill expands both programs to address unmet demand, mitigate recent federal funding cuts, and strengthen small business capacity, particularly in underserved communities.

Small businesses, representing 99.9% of California firms and nearly half of the workforce are critical to job creation, economic output, tax revenues, innovation, and community stability. Expanding SB-TAP and CIP funding would support employment stability, economic diversification, fiscal health, equitable participation, and long-term resilience across California's local and regional economies.

**According to the Author**

"The Capital Infusion Program and Small Business Technical Assistance Program provide essential wraparound technical assistance that offer proven strategies in supporting regional economic recovery, resilience, and innovation. With the increased frequency of natural disasters and economic pressures outside of our control, California must prioritize greater resources for small business resilience and innovation".

**Arguments in Support**

None on file.

**Arguments in Opposition**

None on file.

**FISCAL COMMENTS**

According to the Assembly Appropriations Committee:

One-time General Fund costs of \$26 million. The bill requires the Cal OSBA to administer the funds appropriated by this bill in the following manner: \$7 million for the SB-TAP, \$17 million for the CIP, and \$2 million for increased staff, administrative support, and accountability activities carried out by the Cal OSBA.

Currently, SB-TAP receives \$23 million General Fund annually through the state budget to support federally or privately awarded programs providing technical assistance to small businesses and entrepreneurs, including assistance with procurement opportunities, while the state maintains an annual funding level of \$3 million for the CIP.

## **VOTES**

### **ASM ECONOMIC DEVELOPMENT, GROWTH, AND HOUSEHOLD IMPACT: 8-0-0**

**YES:** Solache, Castillo, Bonta, Patel, Petrie-Norris, Soria, Stefani, Wallis

### **ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Stefani, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache, Ta, Tangipa

## **UPDATED**

VERSION: January 12, 2026

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