
THIRD READING

Bill No: AB 685
Author: Solache (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 6/8/26
AYES: Wahab, Choi, Archuleta, Arreguín, Caballero, Grayson, Menjivar, Niello,
Smallwood-Cuevas, Strickland
NO VOTE RECORDED: Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 73-0, 1/26/26 - See last page for vote

SUBJECT: Small Business Resiliency and Innovation Act

SOURCE: Author

DIGEST: This bill updates eligibility criteria for small business technical assistance centers to receive grants through the California Small Business Technical Assistance Program (TAP) and adds standards for TAP oversight.

Senate Floor Amendments of 8/21/26 strike the establishment of a Small Business Resiliency and Innovation Act add requirements for grant recipients and oversight of grant recipients.

ANALYSIS:

Existing law:

- 1) Establishes GO-Biz within the Governor's Office for the purpose of serving as the lead state agency for economic strategy and marketing of California on issues relating to business development, private sector investment, and

economic growth, and authorizes GO-Biz to establish an interactive internet website. (Government Code (GC) §§ 12096-12097.5)

- 2) Establishes the Office of Small Business Advocate (OSBA) within the GO-Biz and outlines the duties and functions of the Director of OSBA including representing the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses. (GC §§ 12098-12098.7)
- 3) Establishes a Small Business Technical Assistance Program (TAP) within OSBA to assist small businesses through free or low-cost one-on-one consulting and low-cost training by entering into grant agreements with small business technical assistance centers. Requires OSBA to administer a grant program and establishes parameters for small business technical assistance centers to apply and to be eligible, among other aspects. Requires OSBA, subject to appropriation of necessary funds, to establish the California Dream Fund Program to provide microgrants through TAP, up to \$10,000 each, to seed entrepreneurship and small business creation in underserved small business groups that are facing capital and opportunity gaps. (GC §12100.63)

This bill:

- 1) Authorizes multiple small business technical assistance centers to apply for TAP funds as a network with a single fiscal agent if the active contracts are under the same funding authority.
- 2) Specifies that the TAP should provide grants to expand the capacity of small business development technical assistance centers administered and primarily funded by federal agencies that can demonstrate experience, success, and capacity to expand existing small business administration programs.
- 3) Makes various conforming changes like replacing reference to “federal” with “nonstate” for purposes of a funding partner for eligible small business development technical assistance centers to receive grant funds and updating the existing plan of action to draw down funds by specifying that the applicant instead provide a plan to demonstrate capacity to effectively operate a small business technical assistance program solely with nonstate funding and comply with reporting requirements. Updates information that may be included in requests for proposals.

- 4) Requires OSBA to establish standardized performance metrics, reporting requirements, and outcome measures applicable to all TAP grant recipients. Specifies that a grant recipient must ensure that technical assistance services are available to all eligible small businesses seeking assistance and shall not restrict access based on membership, affiliation, dues payment, or participation in an organization operated by the grant recipient. Requires a chamber of commerce, membership-based organization, or other entity receiving funds to establish procedures to ensure that publicly funded technical assistance services are available to eligible small businesses within the geographic or service area served by the grant recipient, regardless of membership status. Requires OSBA to monitor grant recipients, maintain records to evaluate program effectiveness, and report aggregate program outcomes.

Background

Since its inception, GO-Biz has served thousands of businesses, 95% of which are small businesses. The most frequent types of assistance include help with permit streamlining, starting a business, relocation and expansion of businesses, and regulatory challenges. In addition to economic development programs, GO-Biz is responsible for specialized assistance to small businesses through the OSBA. OSBA directly serves the small business community through hosting summits, forums, and interagency meetings; maintaining resources for technical assistance, financing, and state procurement; holding webinars, and other outreach methods.

GO-Biz launched a California Business Portal under the OSBA in 2015, which includes a Business Navigator feature, which provides custom information regarding permits, licenses, and incentives that relate specifically to the user's business; a Business Service Desk, which provides answers to commonly asked questions and allows businesses to submit questions; a financial assistance resources to help businesses research loan programs and other financing options; and a library of Quick Start Guides to provide businesses with information on how to start, grow, and expand specific types of businesses in California. Generally speaking, the portal is a service offered by GO-Biz that provides resources on how to start a business, relocating or expanding a business, international trade and investment, incentives and financing, emergency preparedness and recovery, closing a business, and email subscriptions.

GO-Biz also administers the Permit Assistance Unit which was established based on the agency's statutory authority to provide assistance to businesses in obtaining state and local permits and support small businesses in complying with regulatory requirements and was codified in statute by AB 2605 (Nazarian, Chapter 78,

Statutes of 2605). The Permit Assistance Unit provides new business owners with assistance in identifying the permits needed to start a new business and facilitates meetings between businesses and regulatory agencies. The Permit Assistance Unit is also responsible for maintaining the CalGOLD program which provides assistance in finding local, state, and federal permit information based on business type and location in California as well as the contact information for relevant regulatory agencies. The online tool provides online resources, application forms, and contact information for the various agencies that administer and issue these permits. For permits and registrations administered by the State of California, CalGold also includes a Forms and Fee Finder with direct links to applications and fee information.

According to OSBA, TAP was established in 2018 to expand the capacity of federally funded and other eligible small business technical assistance centers operating in California. These centers provide one-on-one confidential consulting, training, and other business assistance services to small businesses and entrepreneurs throughout the state. TAP is intended to support organizations with the capacity to build upon existing services, expand assistance to underserved business communities, and promote equitable access to business development resources. Eligible activities supported through TAP funding include business planning and strategy development; capital readiness and fundraising assistance; expansion and revenue growth strategies, including exporting, government and private procurement, and e-commerce development; marketing; management; operations; financial management; cybersecurity; manufacturing and productivity improvements; innovation and technology transfer; and business resilience services such as disaster preparedness, economic recovery, succession planning, and youth entrepreneurship

OSBA also administers the CIP, which supports California's small business development center regional networks in assisting small businesses with accessing capital. Rather than providing direct loans or grants to businesses, CIP funding supports technical assistance providers and advisors that help businesses become capital-ready, prepare financing packages, identify funding opportunities, and obtain loans, investments, bonds, and other forms of financing. According to OSBA, CIP receives approximately \$3 million annually to support capital access counseling and financing assistance services statewide.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Committee on Appropriations, the bill will result in unknown fiscal impact for OSBA to integrate new eligibility parameters into its grant award determination process for the current TAP and CIP program year.

SUPPORT: (Verified 8/24/26)

None received for the current version of the bill.

OPPOSITION: (Verified 8/24/26)

None received for the current version of the bill.

ASSEMBLY FLOOR: 73-0, 1/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Flora, Papan, Celeste Rodriguez, Ta, Tangipa, Ward

Prepared by: Sarah Mason / B., P. & E.D. /
8/24/26 13:30:27

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