
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 865 (Ashby) - California Music Festival Preservation Grant Program

Version: April 14, 2026

Urgency: No

Hearing Date: May 4, 2026

Policy Vote: B., P. & E.D. 9 - 1

Mandate: No

Consultant: Robert Ingenito

Bill Summary: SB 865 would establish the California Music Festival Preservation Grant Program within the Governor's Office of Business and Economic Development (GO-Biz), as specified.

Fiscal Impact: This bill would result in a \$20 million cost pressure to GO-Biz to establish the Program and allocate grant funding. Of this amount, GO-Biz indicates that it would request \$1 million to contract with a third-party fiscal agent and program partner for implementation and program outreach. Additionally, GO-Biz would require \$260,000 in 2027-28 and 2028-29 to fund one limited-term position to support the Program's implementation. The fund source is not specified in the bill, but presumably would be the General Fund.

Background: The State has had various economic development departments through the decades. Prior to 2003, the majority of the State's economic development programs were housed within the Technology, Trade, and Commerce Agency. The 2003 04 Budget Act abolished both the Agency and state funding for many of its programs designed to encourage economic development.

GO Biz was established statutorily in 2011 to be the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. GO-Biz staff provide a wide range of advisory and coordinating roles across the administration related to economic development. Several units of GO Biz serve as points of contact for businesses considering relocating to or expanding in California. For example, the Office of the Small Business Advocate (CalOSBA) provides resources for small businesses and financial assistance for small business advisory centers. Other units assist international investors, help businesses obtain information about business permits, administer the California Competes Tax Credit Program, and administer the Cannabis Local Equity Grant Program. Additionally, the California Film Commission, Travel and Tourism Commission, and the Infrastructure and Economic Development Bank have been assigned for oversight purposes to GO Biz.

Proposed Law: This bill, among other things, would do the following:

- Establish the California Music Festival Preservation Grant Program under the direct authority of GO-Biz.
- Require GO-Biz to administer grants to eligible independent live music events promoters, as specified, in order to support their continued ability to provide equitable access to the arts for all Californians, and to preserve large-scale

music festivals that generate significant cultural, tourism, and economic benefits for the state and local communities.

- Provide that subject to appropriation by the Legislature, GO-Biz allocates grants to eligible independent live music event promoters that meet specified requirements and allocate \$20 million in one or more rounds to eligible independent live music events promoters.

Related Legislation: SB 370 (Ashby, 2025) would have established the California Music Festival Preservation Grant Program, as specified. The bill was held under submission on the Suspense File of this Committee.

Staff Comments: This bill is modeled after the California Venues Program, established in the 2021 budget (SB 151, Committee on Budget and Fiscal Review, Chapter 74, Statutes of 2021) which provided grants to eligible independent live events affected by COVID-19 in order to support their continued operation. \$150 million was allocated to eligible independent live events – CalOSBA reported that the first round of the California Venues Grant Program distributed more than \$112 million in the fall of 2021 to nearly 830 eligible independent live events venues, including more than 150 women-owned businesses and 587 small businesses in low-income areas.

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