

Date of Hearing: June 23, 2026

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, AND TOURISM

Christopher M. Ward, Chair

SB 865 (Ashby) – As Amended June 15, 2026

SENATE VOTE: 37-1

SUBJECT: California Music Festival Preservation Grant Program

SUMMARY: SB 865 establishes the California Music Festival Preservation Grant Program within the Governor's Office of Business and Economic Development (GO-Biz) to provide grants to eligible independent live music events promoters in order to support their continued ability to provide equitable access to the arts for all Californians.

Specifically, **this bill:**

- 1) Establishes the California Music Festival Preservation Grant Program under the direct authority of the Director of GO-Biz. Requires GO-Biz to administer grants to eligible independent live music events promoters 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.
- 2) Specifies that in order to be eligible, an independent live music events promoter must satisfy all the following requirements:
 - a) The entity is privately owned.
 - b) The entity is organized as a sole proprietorship, limited liability company, partnership, limited partnership, or a nonprofit organization that is exempt from federal income taxation.
 - c) The entity, as a principal business activity, organizes, promotes, produces, manages, or hosts at least one festival featuring persons or groups that perform live musical entertainment at a venue in California on publicly owned lands where all of the following criteria are met:
 - i. Admission to the festival performances requires a paid ticket or cover charge;
 - ii. Performing artists are compensated and do not perform without compensation or solely for tips;
 - iii. The festival occurs annually in a host jurisdiction;
 - iv. The festival features a minimum of 40 live music acts;
 - v. The festival generates a minimum of 60,000 total paid admissions over its duration;

- vi. The entity has entered into a multiyear agreement for the operation of a multiday music festival with the local tourism authority or the appropriate political subdivision of the host jurisdiction.
 - vii. The entity demonstrates support for local businesses, performers, and the host jurisdiction by doing all of the following:
 - 1. Serving no fewer than three different beers produced by a local brewery whose principal place of business is located within the eligible jurisdiction.
 - 2. Serving no fewer than two wines produced by a winery whose principal place of business is located within the host jurisdiction.
 - 3. Showcasing no fewer than three performances featuring live musical entertainment by performers who are local to, or based in, the host jurisdiction.
 - 4. Providing meaningful promotion of the host jurisdiction in coordination with the local tourism authority or the appropriate political subdivision of the host jurisdiction.
- 3) Defines “host jurisdiction” to mean a government entity or political subdivision of the state that owns or has an interest in the venue or region where the multiday music festival occurs. Region includes a physical or cultural region.
- 4) States that, subject to appropriation by the Legislature, the office allocates grants to eligible independent live music event promoters that meet the requirements specified above and allocates \$20 million in one or more rounds to eligible independent live music events promoters.

EXISTING LAW:

- 1) Authorizes GO-Biz as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. Authorizes GO-Biz, in this capacity, to coordinate the development of policies and criteria to ensure that federal grants administered or directly expended by state government advance statewide economic goals and objectives. Authorizes GO-Biz to market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state. Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small businesses. (Government Code (GOV) section 12096 et. seq.)
- 2) Requires the Governor to appoint a Small Business Advocate who is Director of the Office of Small Business Advocate (OSBA) and outlines the duties and functions of the Small Business Advocate. (GOV 12098-12098.7)
- 3) Establishes the California Arts Council (CAC) tasked with various responsibilities, including but not limited to:

- a) Encouraging artistic awareness, participation, and expression.
 - b) Helping independent local groups develop their own art programs.
 - c) Promoting the employment of artists and those skilled in crafts in both the public and private sector.
 - d) Establishing grant application criteria and procedure.
 - e) Awarding prizes or direct grants to individuals or organizations in accordance with such regulations as the council may prescribe. In awarding prizes or directing grants, the council shall notify the offices of the legislators in whose district the recipient resides. (GOV 8751 and 8753).
- 4) Prohibits the CAC from making any grants or funding any program which has not been established pursuant to the powers granted to it by the Government Code. (GOV 8753.5).

FISCAL EFFECT: According to the Senate Committee on Appropriations, 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.

COMMENTS:

- 1) Author's statement. According to the author, "Music festivals have a profound impact on cities throughout California. Each year, they attract thousands of visitors, generate millions in economic activity, create jobs, and produce significant tax revenues that strengthen local economies. However, music festivals face growing challenges, including high production costs and long-term, unsustainable funding. This forces promoters to choose between increasing costs for consumers or canceling events altogether. Without taking action now, California risks losing these economic and cultural opportunities to other states.
- "SB 865 addresses these challenges by establishing a grant program to provide support to eligible, independent, live music festivals that significantly impact local economies. Multi-day music festivals are a clear driver of opportunity and success for communities across California and provide investment opportunities for our creative economy."
- 2) Background. Independently promoted festivals occupy an important middle ground in California's live entertainment ecosystem. Unlike festivals owned by multinational concert corporations such as Live Nation or AEG Presents, these events are produced by privately held companies that develop, market, and operate festivals under their own brands. California examples include Danny Wimmer Presents festivals such as Aftershock and GoldenSky in Sacramento, Another Planet Entertainment's Outside Lands in San Francisco, and The Do LaB's Lightning in a Bottle in Kern County. These promoters have grown into major national players capable of attracting hundreds of thousands of attendees while remaining independent of the largest global entertainment conglomerates.

For host communities, these festivals function as significant economic engines that extend well beyond ticket sales. Attendees generate spending on hotels, short-term rentals, restaurants, transportation, retail purchases, and local attractions. Festivals often require substantial local staffing, including security personnel, food and beverage vendors, stagehands, production crews, sanitation workers, and transportation services. In Sacramento, Aftershock and GoldenSky have become among the region's most important annual tourism events, bringing visitors from across California and the United States during periods that might otherwise experience lower tourism activity. In 2024, the two festivals combined generated an estimated impact of \$44.6 million and supported over 13,000 jobs including lodging, food and beverage, transportation, facility management, audio visual services, retail, and security. Local sales tax revenue was over \$230,000, and state sales tax contributions were \$1.1 million. Similar impacts have been documented in San Francisco from Outside Lands and in rural regions hosting destination camping festivals, where visitor spending can provide a meaningful boost to local businesses and transient occupancy tax revenues.

The economic value to host entities extends beyond direct visitor spending. The larger independent festivals can enhance a city's brand, generate national media exposure, support repeat visitation, and strengthen relationships between local governments, destination marketing organizations, venue operators, and the entertainment industry. Because independent promoters often operate multiple festivals across the country, successful host cities can benefit from long-term partnerships that encourage recurring investment and event growth. For California, these festivals contribute to the state's broader creative economy by supporting artists, production professionals, hospitality workers, and small businesses while helping position communities as destinations for cultural tourism and live entertainment.

- 3) Arguments in support. According to the California Travel Association (CalTravel) in support, "From Outsidelands in San Francisco to Aftershock and Golden Sky in Sacramento and Coachella in Indio, California's home-grown music festivals attract thousands of visitors from all over the world. Attendees fill hotels, generate millions in economic activity, and contribute significant tax revenues that bolster local economies.

"Unfortunately, rising costs of essentials including venue, security, safety, sanitation, staff, artists, advertisement, and insurance fees have strained festival budgets. Many of these costs must be covered well in advance of the event, leaving promoters largely reliant on ticket and vendor sales to recoup costs. With fewer upfront revenue streams, festivals take on significant financial risks. This forces promoters to choose between increasing costs for attendees or canceling events altogether.

"SB 865 establishes a grant program for eligible independent live music events promoters to support their continued ability to provide equitable access to the arts for all Californians. California must keep its competitive edge as a world-class entertainment destination by showing support for its music festivals."

- 4) Policy considerations. On October 2, 2024, this committee held an informational hearing to get a better understanding of the impacts that events and gatherings have on California tourism. The main takeaway was that while California continues to be a top location to host major events such as the FIFA World Cup, the 2028 Olympic and Paralympic Games, and the Super Bowl, organizers of smaller events are choosing locations in states where the cost of doing business is more economically feasible. A significant aspect of this decision is

events funds that other states have implemented, as a dedicated resource to provide grants and funding to help local communities bid for hosting duties to attract and host sporting events. California is currently one of the largest tourism states without a dedicated statewide event attraction fund, whereas nearly half of the other U.S states including Texas, Maryland, Wisconsin, Massachusetts, and more have an events fund established. While many agree that California could benefit from an events fund of its own, the main sticking point has been the mechanism to fund the fund.

This bill is an important step to help attract and maintain relationships with independent promoters for music festivals. If a funding mechanism can be identified to help establish a broader state-wide events fund, the hope is that it would expand to conventions, regional or statewide amateur and collegiate competitions, and other events that impact the tourism industry of smaller communities.

5) Prior and related legislation:

- a) SB 370 (Ashby), of 2025, would have created a California Music Festival Preservation Grant Program almost exactly as SB 865 proposes. The Key difference was that SB 370 did not include the sections requiring festival organizers to demonstrate support for local businesses and performers, as is found in SB 865. Other differences are minor and technical. This bill died in Senate Appropriations.

REGISTERED SUPPORT / OPPOSITION:

Support

California Arts Advocates
California Travel Association (CALTRAVEL)
City of Sacramento
County of Sacramento
Danny Wimmer Presents, LLC
League of California Cities
National Independent Venue Association of California
Visit Greater Palm Springs
Visit Sacramento

Opposition

None on file.

Analysis Prepared by: Brian V. Anderson, Jr. / A.,E.,S., & T. / (916) 319-3450