

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Arts, Entertainment, Sports, and Tourism Vote: 9 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the California Music Festival Preservation Grant Program to provide up to \$20 million in total grant allocations to eligible independent live music events promoters, as prescribed, administered by the Governor’s Office of Business and Economic Development (GO-Biz).

FISCAL EFFECT:

One-time cost pressures of \$20 million (General Fund) for GO-Biz to establish the program and oversee grant allocations. The bill provides that \$20 million be allocated in one or more grant rounds to eligible promoters.

GO-Biz notes that the bill does not expressly authorize administrative costs to be paid from the \$20 million allocation. Therefore, if the full \$20 million must be awarded as grants, GO-Biz reports requiring additional limited-term administrative resources to implement and oversee the program, approximately \$270,000 total across fiscal years 2026-27 and 2027-28 as well as the need for a contract with a third-party fiscal agent or program partner of approximately \$1 million to support implementation and program outreach.

COMMENTS:

1) **Purpose.** 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.** Current law charges GO-Biz with being the lead state entity for economic strategy in California to help encourage business development, private sector investment, and economic growth. This responsibility often includes administration of grant funds to advance statewide economic goals. Current law authorizes GO-Biz to support small businesses with resources to help them maintain compliance with various state laws and regulations, access capital, and take advantage of state initiatives designed for the support of small businesses.

In 2021 the Legislature enacted the California Venues Grant Program through budget trailer bill legislation, which appropriated \$150 million for allocation to eligible independent live events promoters affected by COVID-19 to support their continued operation after the disruption of the pandemic. The program allocated grants to over 800 recipients within the first year of appropriation and was administered by the California Office of the Small Business Advocate.

This bill would authorize the director of GO-Biz to administer grant allocations under this program to eligible independent live music festival promoters. Notably, the bill does not prescribe a minimum or maximum individual grant amount nor does it provide authority for GO-Biz to adopt program guidelines, require supporting documentation, execute grant agreements, conduct audits or compliance reviews, or recapture funds for ineligible uses or failure to meet program requirements.

- 3) **Related Legislation.** SB 370 (Ashby), of the current legislative session, also establishes a grant program for eligible independent live music event promoters totaling \$20 million for administration by GO-Biz but is modeled more closely after the California Venues Grant Program. SB 370 was held in the Senate Appropriations committee.

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