

AMENDED IN ASSEMBLY MARCH 17, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2376

Introduced by Assembly Member Petrie-Norris

February 17, 2022

An act ~~relating to state government~~, to add Article 7.5 (commencing with Section 12100.70) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2376, as amended, Petrie-Norris. ~~One-stop capital shop. Small business assistance: one-stop capital shop platform.~~

Existing law, the Economic Revitalization Act, establishes the Governor's Office of Business and Economic Development, also known as "GO-Biz," in state government within the Governor's office under the control of a director. The act requires GO-Biz to serve as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.

This bill would require GO-Biz, on or before July 1, 2023, to create a "one-stop capital shop" online platform to assist small businesses in accessing safe funding opportunities and to reduce barriers in access to affordable capital. The bill would require the one-stop capital shop platform to include specified provisions, including, among others, creation of a loan marketplace that allows small businesses to compare and shop, both from government programs and affordable private programs. The bill would also require the office to submit a report to the Legislature on or before January 1, 2028, regarding its implementation of these provisions.

~~Existing law requires the Treasurer to convene, on or before September 1, 2022, the CalAccount Blue Ribbon Commission to conduct, on or before July 1, 2024, a market analysis to determine the feasibility of implementing a CalAccount Program that, among other things, would be a program established by the state for the purpose of protecting consumers who lack access to traditional banking services from predatory, discriminatory, and costly alternatives, as specified.~~

~~This bill would state the intent of the Legislature to enact legislation that would create a one-stop capital shop to provide a single, centralized platform where small businesses can go to be matched with a lender or grant opportunity for their capital needs.~~

~~Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares as follows:*
- 2 (a) *Small businesses are the backbone of California’s economy,*
- 3 *employing nearly one-half of all workers in the state.*
- 4 (b) *Access to capital is central to the longevity of any small*
- 5 *business and programs aimed at increasing such access have been*
- 6 *in place for years.*
- 7 (c) *Still, eliminating barriers in access to affordable capital,*
- 8 *especially for small business owners from underrepresented*
- 9 *backgrounds, remains a challenge.*
- 10 (d) *Further, record levels of small business registrations were*
- 11 *filed during the pandemic as the needs and wants of the workforce*
- 12 *shifted, further increasing the amount of capital needed to keep*
- 13 *small businesses open.*
- 14 (e) *Access to affordable capital remains a stumbling block for*
- 15 *many small business owners in starting or expanding their*
- 16 *business, particularly those business owners from underrepresented*
- 17 *backgrounds.*
- 18 (f) *One of the barriers to accessing safe and transparent capital*
- 19 *is the time-intensive process of researching and applying for*
- 20 *various sources of funding one at a time, as many small business*
- 21 *owners have little to no administrative support in this process.*
- 22 (g) *Additionally, mission-driven and nonprofit community*
- 23 *lenders may not have access to sophisticated technology and*
- 24 *platforms enjoyed by for-profit lenders on the private market,*

1 *creating an additional barrier for small business owners to access*
2 *affordable capital.*

3 *(h) While there are numerous programs, tools, and organizations*
4 *supporting small businesses in meeting their needs for capital, a*
5 *lack of coordination among these sources increases the time and*
6 *resources required for a small business to ultimately secure the*
7 *capital they seek.*

8 *SEC. 2. Article 7.5 (commencing with Section 12100.70) is*
9 *added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the*
10 *Government Code, to read:*

11
12 *Article 7.5. One-Stop Capital Shop Act of 2022*

13
14 *12100.70. For purposes of this article:*

15 *(a) "Office" means the Governor's Office of Business and*
16 *Economic Development.*

17 *(b) "SBIC" or "small business investment company" means a*
18 *privately owned and managed investment fund that is licensed and*
19 *regulated by the United States Small Business Administration.*

20 *12100.71. On or before July 1, 2023, the office shall create a*
21 *"one-stop capital shop" online platform to assist small businesses*
22 *in accessing safe funding opportunities and to reduce barriers in*
23 *access to affordable capital. The one-stop capital shop platform*
24 *shall include all of the following provisions:*

25 *(a) Creation of a loan marketplace that allows small businesses*
26 *to compare and shop, both from government programs and*
27 *affordable private programs, with actual loan structures and*
28 *annual percentage rates in one place.*

29 *(b) Consolidation of grant, SBIC, and other small business grant*
30 *and investment-financing information in one place.*

31 *(c) Creation of a small business profile feature permitting small*
32 *businesses to create a platform profile uploading basic information*
33 *integrated into both (1) a universal intake form that may be*
34 *submitted to multiple funding sources at once, including indicators*
35 *of lender-readiness and completed technical assistance, and (2)*
36 *a database that is searchable by state agencies when soliciting*
37 *small business submissions for procurement opportunities.*

38 *(d) Educational materials, which include basic information*
39 *describing and differentiating the various available funding*

1 mechanisms, shall be provided in a frequently asked questions
2 (FAQ) and other easily digestible formats.

3 12100.72. (a) Notwithstanding Section 10231.5, the office
4 shall submit a report to the Legislature on or before January 1,
5 2028, regarding its implementation of the one-stop capital shop
6 pursuant to this article.

7 (b) The report to be submitted pursuant to subdivision (a) shall
8 be submitted in compliance with Section 9795.

9 ~~SECTION 1. It is the intent of the Legislature to enact~~
10 ~~legislation that would create a one-stop capital shop to provide a~~
11 ~~single, centralized platform where small businesses can go to be~~
12 ~~matched with a lender or grant opportunity for their capital needs.~~