



## 2023 Microbusiness Sector Advocacy Priorities

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CAMEO is California's statewide network of over 400 entrepreneurial training programs, microlenders, organizations, agencies, and other stakeholders dedicated to furthering the state's micro and small business development. Annually, CAMEO members serve about 200,000 very small businesses with training, business and credit assistance, and loans. These firms – largely start-ups with less than five employees – support or create 250,000 new jobs in California and generate a total of \$15 billion in economic activity.

Our policy priorities are decided upon with a racial equity lens and include the following:

- Secure and expand ongoing funding for the entrepreneurial ecosystem, including business assistance organizations and microlenders who are mission-driven to serve socially and economically disadvantaged individuals (SEDI).
- Institute responsible for small business lending policies.
- Expand opportunities or lower barriers to entrepreneurship, especially for SEDI populations.
- Increase market opportunities through procurement, especially for SEDI populations.

CAMEO often weighs in on other issues that affect small businesses or consumer issues that are likely to affect small business owners.

Specifically, in 2023, we support:

### **PRIORITY BILLS**

[SB 33 \(Glazer\)](#) will remove the 2024 sunset provisions on SB 1235, California's groundbreaking law extending truth-in-lending protections to small businesses. Instead, this bill will guarantee transparency in lending for small businesses and ensure that the required financing disclosure rules implemented in December 2022 remain in place. A critical feature of SB 1235 is that it requires lenders to accurately disclose a loan's true Annual Percentage Rate (APR), allowing small business owners to understand how much it will cost them to borrow.

Status: Passed Senate, to be heard in Assembly Banking and Finance Committee



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[SB 666 \(Min\)](#) will restrict fees without corresponding services that are often exorbitant that are charged to small businesses by commercial financing providers and brokers concerning commercial financing transactions.

Status: Passed Senate, to be heard in Assembly Banking and Finance Committee

[AB 39 \(Grayson\)](#) Establishes a licensing and regulatory framework administered by the Department of Financial Protection and Innovation (DFPI) for digital financial asset business activity.

Status: Passed Assembly, likely to be heard in Senate Banking and Finance Committee

[AB 258 \(Reyes\)](#) Requires the State Library to create an internet web portal for state procurement opportunities for small businesses.

Status: Passed Assembly, likely to be heard in Senate Business, Professions, and the Economy

[AB 1198 \(Grayson\)](#) will require the GO-Biz Energy Unit to identify the participation levels of businesses owned by women, minorities, disabled individuals, veteran-owned businesses, and individuals from disadvantaged communities. In addition, the Energy Unit will be required to hold at least three public workshops and engage with stakeholders and specified representatives to develop recommendations to address barriers to access to the energy industry and how to increase the participation rate for underrepresented communities.

Status: Passed Assembly, likely to be heard in Assembly Utilities and Energy

[AB 1217 \(Gabriel\)](#) will make COVID-19 outdoor dining laws permanent.

Status: Passed Assembly, in Senate Rules, likely to be heard in Senate Health

[AB 1325 \(Waldron and E. Garcia\)](#) will require the food preparation in a Micro Enterprise Home Kitchen Operation (MEHKO) to be limited to no more than 90 individual meals, or the approximate equivalent of meal components when sold separately, per week. The bill would also allow a MEHKO to have at most \$100,000 in verifiable gross annual sales, adjusted for inflation.

Status: Passed Assembly, in Senate Rules, likely to be heard in Senate Health



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## OTHER BILLS SUPPORTED

- [SB 336 \(Umberg\)](#) Requires DGS to establish a new process for nonprofits to negotiate their standard rates for providing state services. Status: passed Senate, going to Assembly.
- [SB 362 \(Becker\)](#) Prohibits a data broker from collecting, retaining, selling, or sharing personal information on a consumer who has submitted a deletion request under these provisions unless the consumer requests the data collection. Status: passed Senate, going to Assembly Governmental Organization Committee.
- [SB 557 \(Limón\)](#) Authorizes a state agency to dispute for reasonable cause an invoice, refund request, or claim for Medi-Cal reimbursement. Status: passed Senate, going to Assembly Governmental Organization Committee.
- [AB 8 \(Friedman & Irwin\)](#) Requires the ticket seller to display the total cost and fees for a ticket before the ticket is selected for purchase. Status: Assembly Floor.
- [AB 52 \(Grayson\)](#) Exempts manufacturing and research equipment from the sales and use tax. Status: passed Assembly, going to Senate Revenue and Taxation Committee.
- [AB 518 \(Wicks\)](#) Aligns the definition of "family" under California's Paid Family Leave Program with other state programs so PFL claimants can receive PFL wage replacement benefits to care for a member of their chosen or extended family. Status: Assembly Floor.
- [AB 590 \(Hart\)](#) Requires the administering state agency to prioritize recipient entities (nonprofits) and projects serving disadvantaged, low-income, and under-resourced communities and to ensure an advance payment to the recipient entity is at most 25% of the total grant or contract amount. Status: Assembly Floor.
- [AB 860 \(Valencia\)](#) Requires coordination with relevant state agencies to ensure agencies are aware of discount service and device programs. State and local agencies provide information about discount services and device programs to eligible low-income Californians who contact those agencies for support services. Status: passed Assembly, going to the Senate.
- [AB 1392 \(Rodriguez\)](#) Requires hospitals to annually submit a detailed and verifiable plan, on the hospital's minority, women, LGBT, and disabled veteran business enterprise procurement efforts, for increasing procurement from minority, women, LGBT, and disabled veteran business enterprises. Status: passed Assembly, going to the Senate.



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## Small business provisions in the state budget we support

- Full funding of the Technical Assistance Program at \$23 million.
- An increase of \$23.5 million in Federal Funds, to be spent over five years, for the Office of the Small Business Advocate to provide technical assistance funds to the State Small Business Credit Initiative (SSBCI).
- \$120 million to continue the CalCompetes program.
- \$100 million one-time General Fund to the Small Agricultural Business Relief Grants to expand the scope of the current California Small Agricultural Business Drought Relief Grant Program.
- \$50 million, one-time general fund Supplemental Funding for the CA Dream Fund Program

## Budget Cuts We Don't Support

- Approximately \$92 million will be removed from the California Small Business COVID-19 Relief Grant Program due to declining General Fund revenues.
- A reduction of \$50 million from the General Fund for iBank's Small Business Finance Center and the California Rebuilding Fund. The total budget will now be \$37.5 million.
- The DFPI budget will be cut by \$15 million. In addition, the Licensing and Supervision of Banks and Trust Companies division was cut by over \$9.5 million.

## POLICY RESOURCES

- *"California Small Business Policy Review"* examines how California's small businesses fared and how California contributed to a robust local entrepreneurial ecosystem during the pandemic.
- *"An Equitable Small Business Recovery"* is an advocacy toolkit that details our policy recommendations to foster the right ecosystem of support for underserved small businesses and guide an equitable recovery that increases wealth.
- CAMEO's *Local Entrepreneurial Ecosystem Toolkit* discusses the five Cs of a strong local entrepreneurial ecosystem: coaching, capital, connections (to markets and networks), culture, and climate (policy).