

## Assembly Bill No. 674

### CHAPTER 101

An act to amend Section 18000 of the Business and Professions Code, relating to small business regulations.

[Approved by Governor July 9, 2014. Filed with Secretary  
of State July 9, 2014.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 674, Quirk-Silva. Microenterprise.

Existing law defines microenterprise as a sole proprietorship, partnership, or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services, as provided. Existing law distinguishes a microenterprise from a small business or microbusiness. Existing law encourages specified local agencies to access, include, and promote local partnerships that invest in microenterprise development, as provided. Existing law defines a "microenterprise development provider" to mean a nonprofit or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to expand their current business.

This bill would modify the definition of microenterprise to also include a limited liability company, increase the number of employees to 5 or fewer, and require that the entity generally lack sufficient access to loans, equity, or other financial capital. The bill would delete those provisions expressly distinguishing a microenterprise from a small business or microbusiness. The bill would modify the definition of microenterprise development provider to also include a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to a microenterprise seeking to expand its current business.

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

SECTION 1. Section 18000 of the Business and Professions Code is amended to read:

18000. (a) For purposes of this part, "microenterprise" means a sole proprietorship, partnership, limited liability company, or corporation that meets both of the following requirements:

- (1) Has five or fewer employees, including the owner, who may be part time or full time.
- (2) Generally lacks sufficient access to loans, equity, or other financial capital.

(b) For purposes of this part, “microenterprise development provider” means a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to a microenterprise seeking to expand its current business.