

AMENDED IN SENATE JUNE 30, 2015

AMENDED IN ASSEMBLY MAY 28, 2015

AMENDED IN ASSEMBLY MARCH 24, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1230

Introduced by Assembly Member Gomez

February 27, 2015

An act to add ~~Part 7.1 (commencing with Section 15427) to Division 3 of Title 2 of the Government Code, relating to state government, Section 44559.13 to the Health and Safety Code, relating to small business, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1230, as amended, Gomez. ~~California Americans with Disabilities Act Small Business Compliance Financing Act. California Americans With Disabilities Small Business Capital Access Loan Program.~~

Existing law provides various programs to expand access to persons with disabilities and promote compliance with the federal Americans with Disabilities Act of 1990. ~~Existing law authorizes a specified authority to make loans, funded by bonds issuances, to health facilities to assist those participating health facilities lower the costs of financing certain kinds of projects in order to pass along those savings to the public paying for healthcare at those facilities.~~

Existing law establishes the Capital Access Loan Program, which is administered by the California Pollution Control Financing Authority (authority) to assist small businesses to finance the costs of complying with environmental mandates and the remediation of contamination on their properties.

This bill would ~~enact~~ *establish* the California Americans with Disabilities Act Small Business Compliance Financing Authority Act ~~to establish~~ *Capital Access Loan Program within the Capital Access Loan Program, to create* a self-sustaining program to provide loans to assist small businesses finance the costs of projects that alter or retrofit existing small business ~~facilities~~ *facilities, meeting specified criteria,* to comply with the federal American with Disabilities Act.

This bill would ~~establish in state government~~ the California Americans with Disabilities Act Small Business Compliance Financing Authority, composed of seven specified members. This bill would require the Treasurer, as chair of the authority, to appoint an executive director who serves at the pleasure of the authority. This bill would require the authority to comply with existing open meeting and public record disclosure laws, *authorize the authority to administer the program, including adopting regulations, and controlling funds appropriated for the program,* as specified.

This bill would establish the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund, as a continuously appropriated fund, and require the authority to use the fund for all its purposes. This bill would also transfer \$50,000,000 from the General Fund to the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

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

1 SECTION 1. Section 44559.13 is added to the Health and
 2 Safety Code, to read:
 3 44559.13. (a) *It is the intent of the Legislature in this act to*
 4 *create and fund the California Americans with Disabilities Small*
 5 *Business Capital Access Loan Program to assist small businesses*
 6 *in complying with the Americans with Disabilities Act. It is not*
 7 *the intent of the Legislature to assist the physical expansion of*
 8 *small businesses that includes modifications that comply with the*
 9 *Americans with Disabilities Act. The program shall be*
 10 *administered by the California Pollution Control Financing*
 11 *Authority and follow the terms and conditions for the Capital*
 12 *Access Loan Program for Small Businesses in this article with the*
 13 *additional program requirements specified under this section.*

1 (b) For purposes of this section, unless the context requires
2 otherwise, the following words and terms shall have the following
3 meanings:

4 (1) “Americans with Disabilities Act” means the federal
5 Americans with Disabilities Act (42 U.S.C. Sec. 12101 et seq.) and
6 amendments thereto.

7 (2) “California Americans with Disabilities Act Small Business
8 Capital Access Loan Program Fund” or “fund” means a fund
9 established and administered by the authority pursuant to Sections
10 44548 and 44549 to be used for purposes of this program.

11 (3) “Eligible cost” means and includes all or any part of the
12 price of construction, purchase price of real or personal property,
13 the price of demolishing or removing any buildings or structures,
14 the price of all machinery and equipment, the amount of financing
15 charges and interest prior to, during, and for a period not to exceed
16 the later of one year or one year following completion of
17 construction, as determined by the authority, the price of insurance
18 during construction, the amount of funding or financing noncapital
19 expenses, the amount of reserves for principal and interest and
20 for extensions, enlargements, additions, replacements, renovations
21 and improvements, the price of engineering, financial and legal
22 services and other service contracts, the price of plans,
23 specifications, studies, surveys, estimates, administrative expenses,
24 and any other expenses of funding or financing, that are necessary
25 and allocable to the eligible project, and shall not include costs
26 not directly related to physical alterations necessary for
27 compliance with the Americans with Disabilities Act.

28 (4) “Eligible project” means the physical alterations or retrofits
29 to an existing small business facility of less than 10,000 square
30 feet necessary to ensure that facility is in compliance with the
31 Americans with Disabilities Act, and the financing necessary to
32 pay eligible costs of the project.

33 (5) “Qualified loan” means a loan or portion of loan as defined
34 in subdivision (j) of Section 44559.1, where the proceeds of the
35 loan or portion of loan are limited to the eligible costs for an
36 eligible project under this program, and where the loan or portion
37 of loan does not exceed fifty thousand dollars (\$50,000).

38 (6) “Small business” or “qualified business” means a business
39 referred to in subdivisions (i) and (m) of Section 44559.1, that
40 meets the following additional criteria:

1 (A) Fewer than 15 full-time equivalent employees.

2 (B) Less than one million dollars (\$1,000,000) in total gross
3 annual income from all sources.

4 (C) Does not provide overnight accommodations.

5 (c) (1) The California Americans with Disabilities Act Small
6 Business Capital Access Loan Program Fund is established in the
7 State Treasury for, and shall be administered by the authority
8 pursuant to Sections 44548 and 44549 for, this program.
9 Notwithstanding Section 13340 of the Government Code, all money
10 in the fund is continuously appropriated to the authority for
11 carrying out the purposes of this section. The authority may divide
12 the fund into separate accounts. All moneys accruing to the
13 authority pursuant to this section from any source shall be
14 deposited into the fund.

15 (2) Subject to contributions paid by the authority in support of
16 qualified loans and subject further to any reasonable costs that
17 may be incurred by the authority in administering this section, all
18 moneys in the fund derived from any source shall be held in trust
19 for the life of this program.

20 (3) The authority may direct the Treasurer to invest moneys in
21 the fund that are not required for its current needs in the eligible
22 securities specified in Section 16430 of the Government Code as
23 the authority shall designate. The authority may direct the
24 Treasurer to deposit moneys in interest-bearing accounts in state
25 or national banks or other financial institutions having principal
26 offices located in the state. The authority may alternatively require
27 the transfer of moneys in the fund to the Surplus Money Investment
28 Fund for investment pursuant to Article 4 (commencing with
29 Section 16470) of Chapter 3 of Part 2 of Division 4 of the
30 Government Code. All interest or other increment resulting from
31 an investment or deposit shall be deposited into the fund,
32 notwithstanding Section 16305.7 of the Government Code. Moneys
33 in the fund shall not be subject to transfer to any other fund
34 pursuant to any provision of Part 2 (commencing with Section
35 16300) of Division 4 of the Government Code, excepting the
36 Surplus Money Investment Fund.

37 (d) The authority shall adopt regulations pursuant to subdivision
38 (c) of Section 44520 to implement the program, including
39 provisions specific to this program as described in this section
40 and further including provisions to:

1 (1) Establish a new loss reserve account for each participating
2 lender enrolling loans in this program.

3 (2) Obtain a certification from each participating lender and
4 small business upon enrollment of a qualified loan that the
5 proceeds of the loan will be used for the eligible costs of an eligible
6 project.

7 (3) Contribute an additional incentive from the fund for each
8 loan enrolled for a qualified business located in a severely affected
9 community.

10 (4) Restrict the enrollment of a qualified loan in any other
11 Capital Access Loan Program for small business offered by the
12 authority as long as funds are available for this program.

13 (5) Limit the term of loss coverage for each qualified loan to
14 no more than five years.

15 (6) Recapture from the loss reserve account the authority's
16 contribution for each enrolled loan upon the maturation of such
17 loan or after five years from the date of enrollment, which ever
18 happens first, to be deposited in the fund and applied to future
19 expenditures for contributions and administrative costs.

20 SEC. 2. The sum of fifty million dollars (\$50,000,000) is hereby
21 transferred from the General Fund to the California Americans
22 with Disabilities Act Small Business Capital Access Loan Program
23 Fund for the purposes of funding loss reserve accounts and
24 administering the program pursuant to the California Americans
25 with Disabilities Act Small Business Capital Access Loan Program.

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**All matter omitted in this version of the bill
appears in the bill as introduced/amended
in the Assembly, May 28, 2015. (JR11)**