

Date of Hearing: April 6, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2164 (Lee) – As Amended March 23, 2022

Policy Committee: Judiciary

Vote: 8 - 1

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

**SUMMARY:**

This bill authorizes funds collected in the Division of the State Architect's (DSA) Disability Access and Education Revolving Fund to be used for the purpose of providing financial assistance to small businesses for construction of physical accessibility improvements. Specifically, this bill:

- 1) Deletes the January 1, 2024, sunset date on the \$4 fee for a business license, instrument or permit issued by a city, county or city and county, allowing that fee to be collected on a permanent basis.
- 2) Requires each city, county or city and county, commencing March 1, 2023, to provide an annual report to the California Commission on Disability Access (CCDA), as well as to the DSA, regarding the total fees collected in the previous calendar year and of its distribution; and requires the report to include the total amount of financial assistance provided to small businesses for construction of physical accessibility improvements and the number of small businesses that obtained financial assistance for construction of physical accessibility improvements.

**FISCAL EFFECT:**

- 1) Costs (GF) possibly in the hundreds of thousands dollars to the DSA to develop procedures to evaluate small business applicants for assistance with construction-related accessibility improvements and determine eligibility for funding from the Disability Access and Education Revolving Fund.
- 2) Possibly significant non-reimbursable staff workload costs to local public entities to provide an annual report to both the CCDA and DSA detailing the total fees collected in the previous calendar year and total amount of financial assistance given to small businesses for construction-related disability access. Existing law requires local agencies report to CDAA the total amount of fees collected in the prior calendar year and how those funds were distributed. This bill, however, requires local agencies to report information about the total amount of financial assistance provided to small businesses for construction of physical accessibility improvements and the number of small businesses that obtained financial assistance for construction of physical accessibility improvements.
- 3) No costs to the CCDA to accept annual reports from local agencies.

**COMMENTS:****1) Purpose.** According to the author:

Accessibility of businesses remains a major concern despite existing legal protections and government assistance programs. AB 2164 supports local jurisdictions with sustained funding to improve accessibility in their regions by: (1) removing the January 1, 2024 fee sunset, enabling local governments to collect the \$4.00 business license fee indefinitely; and (2) clarifying local jurisdictions' ability to use these funds for small business accessibility related grants.

**2) CCDA and the Certified Access Specialist Program:** CCDA is a division of DGS DSA and is responsible for promoting disability access in California through communications with stakeholders including, but not limited to, the disabled, business communities and all levels of government. CCDA prepares and submits periodic advisory reports to the Legislature on the on best practices for disability access. The Certified Access Specialist Program (CAsp), created in 2008, is a program that trains and certifies specialists in assessing whether a physical structure such as a school, park or shopping mall complies with the applicable disability access laws. The CAsp is funded through a fee on local business licenses, permits, or equivalent instruments. Until recently, the law required anyone taking out or renewing a local business license, permit or equivalent instrument, to pay an additional \$1 fee for the license or permit. The city, county or city and county retains 70% of the resulting revenue, which could be used primarily to train certified access specialists in that jurisdiction. The remaining 30% of the revenue would go to the DSA for deposit into the Disability Access and Education Revolving Fund.

AB 1379 (Thurmond), Chapter 667, Statutes of 2017, increased CAsp funding by requiring, through December 31, 2023, any applicant for a local business license or equivalent instrument or permit to pay an additional fee of \$4 (rather than \$1). Pursuant to AB 1379, after December 31, 2023, the amount would revert back to \$1 for a permit. This bill eliminates that sunset date and retains the \$4 dollar fee on a permanent basis. DSA reports this effectively creates a grant program requiring additional staff and resources to provide ongoing funding to local agencies for construction-related disability access.

**3) Prior Legislation.**

- a) AB 2093 (Steinorth), Chapter 379, Statutes of 2016, requires a commercial property owner, for every lease or rental agreement executed on or after January 1, 2017, to state on the lease or rental agreement whether the subject premises have undergone a CAsp inspection.
- b) AB 3002 (Grayson), Chapter 680, Statutes of 2018, requires a local jurisdiction issuing a building permits for commercial construction or business licenses to make available a notice containing specified information regarding disability access.

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