

Date of Hearing: May 11, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2829 (Low) – As Amended April 20, 2022

Policy Committee: Judiciary

Vote: 9 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill, until January 1, 2028, establishes the Certified Access Specialist Grant Program (Grant Program) to help small businesses obtain Certified Access Specialist Program (CAsp) inspections. Specifically, this bill:

- 1) Limits the Grant Program to businesses with less than 50 employees and caps grant amounts at the actual cost of inspection, up to \$3,000 per inspection.
- 2) Requires the Division of the State Architect (DSA) to administer the Grant Program, prescribe a grant application and develop criteria to evaluate and award grants. The DSA must submit an annual report to the Legislature regarding the Grant Program's results and post the report on its internet website.
- 3) Requires the State Controller to transfer an unspecified sum of money from the General Fund (GF) to the Certified Access Specialist Fund (CAsp Fund) to fund the Grant Program. The DSA can use up to 5% of transferred funds for Grant Program administration costs.

**FISCAL EFFECT:**

- 1) One-time GF costs of an unspecified amount, but likely in the tens of millions of dollars, for the CAsp Fund appropriation.
- 2) Annual costs of approximately \$1.5 million to the DSA (under the Department of General Services) for two architect positions and four analyst positions to carry out grant administration and reporting requirements. Although DSA may use up to 5% of the unspecified appropriation amount to cover administration costs, DSA estimates such costs would exceed the allowable percentage.

**COMMENTS:**

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

[Americans with Disabilities Act (ADA)] lawsuits have surged in recent years. These lawsuits are crippling [businesses] now recovering from the pandemic. A common anecdote in much of the reporting that has been done on the issue has been that many business owners were *unaware* of their compliance status. Some lawsuits are valid, and some are not but regardless of whether the [complaint] is valid, a

building owner or business owner will almost always settle the case out of court as settling is cheaper than litigation. There is an underutilized solution: a CASp inspection.

This bill is supported by a coalition of business organizations led by the California Business Properties Association.

- 2) **CASp Inspections.** 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 applicable disability access laws. Obtaining a CASp inspection allows a business owner to know whether the physical layout of the building complies with disability access laws and, if not, what adjustments must be made. CASp benefits the disabled community by increasing accessibility and helps businesses avoid costly lawsuits by ensuring ADA compliance.

CASp is funded through a fee on local business licenses, permits, or equivalent instruments. Until recently, existing law required any entity pulling or renewing a local business license, permit or equivalent instrument to pay an additional \$1 fee for the license or permit. The local government retained 70% of the resulting revenue, which could be used primarily to train certified access specialists in that jurisdiction. The remaining 30% of the revenue went to DSA for deposit into the Disability Access and Education Revolving Fund (DAE 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, permit or equivalent instrument to pay an additional fee of \$4 (rather than \$1). Pursuant to AB 1379, after December 31, 2023, such fees revert back to \$1. This bill creates a new grant program, funded by an unspecified GF appropriation amount to the existing CASp Fund, to help small businesses obtain CASp inspections.

- 3) **Related Legislation.** AB 2164 (Lee) eliminates AB 1379's sunset date, thus retaining the \$4 fee on a permanent basis, and authorizes the DAE Revolving Fund to be used for financial assistance to small businesses for construction of physical accessibility improvements. AB 2164 is pending on this committee's Suspense File.
- 4) **Prior Legislation.** AB 2093 (Steinorth), Chapter 379, Statutes of 2016, required 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 premises have undergone a CASp inspection.

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