



California  
Business  
Properties  
Association



January 18, 2022

Hon. Chris R. Holden  
Chair, Assembly Appropriations Committee  
Committee on Revenue and Taxation  
1021 O Street, #8220  
Sacramento, CA 95814

**Subject: AB 820 (Cooley), Small Business Recovery Act – SUPPORT**

Dear Chair Holden:

On behalf of the organizations undersigned below, we enthusiastically support Assembly Bill 820 (Cooley), The Small Business Recovery Act, which proposes to incentivize California banks to provide loans to small businesses adversely impacted by the COVID-19 pandemic.

According to the Public Policy Institute of California, 56% of California small businesses have experienced “large negative” effects from the pandemic; 95% of these businesses are very small businesses with fewer than 50 employees. Collectively these businesses employ one-third of California’s workforce.

Throughout the pandemic public investment from the federal government and the state has tried to alleviate costs for businesses by providing grant and loan opportunities. However, only 46% of California small businesses applied for federal assistance through the Paycheck Protection Program (PPP), and only 17% received what they requested.

AB 820 provides small business more opportunities to seek lending from financial institutions by exempting from taxation the interest revenue California’s banks generate from lending to small businesses of 50 or fewer employees adversely impacted by the COVID-19 pandemic. By exempting the interest revenue, this bill will encourage financial institutions to provide more lending opportunities for qualifying businesses.

As recently noted by the Forbes Financial Council, having access to capital helps enable small businesses to recover faster, supporting the global recovery. A survey of 1,000 small-business owners commissioned by PayPal and conducted by Wakefield Research just before Labor Day found that “small-business owners need capital, have a plan for it and want to use it to grow their business. The challenge remains to access the capital as well as overcome the perception of lenders’ willingness to provide loans to small businesses.”<sup>1</sup>

AB 820 is a recognition that there will never be enough public funds to address the capital needs of small businesses seeking to build back from the pandemic. AB 820 is a commonsense approach to leverage the financial resources, expertise and relationships of private institutions to address a critical public policy objective.

Sincerely,

**David N. Butler**  
Advocate

On behalf of the following organizations:

Building Owners and Managers Association of California (BOMA Cal)  
Innovating Commerce Serving Communities (ICSC)  
California Attractions and Parks Association  
California Business Properties Association (CBPA)  
California Business Roundtable  
California Chamber of Commerce  
California Retailers Association  
Five Star Bank  
NAIOP California  
NFIB California  
United Chamber Advocacy Network  
    El Dorado County Chamber of Commerce  
    El Dorado Hills Chamber of Commerce  
    Elk Grove Chamber of Commerce  
    Folsom Chamber of Commerce  
    Rancho Cordova Area Chamber of Commerce  
    Roseville Area Chamber of Commerce  
    Yuba-Sutter Chamber of Commerce

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