



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Governor Signs AB 1230 to Expand Access for the Disabled and Protect Small Businesses from Predatory Lawsuits

SACRAMENTO - Treasurer John Chiang issued the following statement regarding Governor Jerry Brown's approval of Assembly Bill 1230, which creates the California Americans with Disabilities Small Business Capital Access Loan Program.

"By providing neighborhood businesses with affordable access to construction loans to widen doorways, build accessible parking, and include wheelchair-friendly restrooms, we are providing disabled Californians with access to the ordinary life that so many of us take for granted," Chiang said. "While this is a win-win for mom-and-pop businesses and their disabled customers, the big loser is predatory litigation brought under the banner of the Americans with Disabilities Act. Such litigation is nothing more than a shakedown leaving businesses poorer and the disabled no better off."

"More than 40 percent of the nation's ADA lawsuits are filed in California, often by predatory litigators looking for statutory penalties rather than remedial relief," said Assemblymember Jimmy Gomez, who authored AB 1230. "By helping small businesses meet ADA regulations, we protect them from predatory lawsuits, while expanding accessibility for disabled Californians."

AB 1230, which creates a first-of-its-kind program in the nation, will assist small businesses in qualifying for loans to retrofit existing facilities to comply with the Federal Americans with Disabilities Act (ADA). The program is designed to be self-sustaining with an initial transfer of \$10 million from the State's General Fund to serve as seed money. Low administrative costs will help keep the program fiscally prudent, while annual interest collections and low default rates will make the program self-sustaining in future years.

Treasurer Chiang chairs the California Pollution Control Financing Authority (CPCFA), which administers the well-established California Capital Access Program (CalCAP) to provide lenders with credit enhancements encouraging small business loans that might not otherwise be possible. CPCFA has offered CalCAP since 1994. The program is an important resource for small businesses whose owners want access to capital in California. Through CalCAP, CPCFA deposits a cash premium into an account for each qualifying loan that a lender enrolls in the program, from which lenders can later apply for a claim in the event of default. The measure will take effect January 1, 2016.

Predatory litigation weakens the rights of the disabled community by compelling small businesses to spend more money on legal fees and costs than on improving their establishments to improve accessibility.

AB 1230 is supported by Disability Rights California, the California Small Business Association and the National Federation of Independent Business.

"I want to thank Assemblymember Gomez for his leadership and collaboration in making this important program a reality," Chiang added. "By providing the means to eliminate barriers for the more than 4.8 million disabled Californians, we are helping turn disability into ability."

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