



March 9, 2018

Honorable Sharon Quirk-Silva
Chair, Assembly Committee on Jobs, Economic Development, and the Economy
State Capitol
Sacramento, CA 95814

RE: AB 1552 - SUPPORT

Dear Assmeblymember Quirk-Silva,

As a representative of the 28 million small businesses in America and the more than 3.5 million in California, Small Business Majority writes today in support of AB 1552, which would require all public utilities to promptly pay vendors that submit valid invoices. We believe that prompt payment measures like this help small businesses compete more effectively in bidding processes for contracts.

Small Business Majority is a national small business organization with offices throughout California, founded and run by small business owners to focus on solving the biggest problems facing small businesses today. We actively engage small business owners and policymakers in support of solutions that promote small business growth and drive a strong economy. A key component of our work involves outreach and education to small business owners on a range of small business issues, including healthcare, retirement security, access to capital and more.

AB 1552 will support California small businesses by requiring that public utilities promptly pay vendor invoices. Specifically, if a state utility fails to pay an invoice submitted by a certified small business, or a contractor that has committed to using a certified small business for at least 25% of the contracted work, they will face a financial penalty for failing to pay. This bill mirrors federal and other state laws that work to create public procurement opportunities.

Small business owners are not able to carry large unpaid invoices due to cash flow issues. Sometimes extensive delay of payment is enough to force small companies out of business. They need guarantees that their work will be compensated, and AB 1552 will ensure small business owners are able to grow and expand as they successfully fulfill state utility contracts.

We support any legislation that will help entrepreneurs thrive, and AB 1552 will do just that.

Sincerely,

Mark Herbert, Small Business Majority
California Director