



June 24, 2024

RE: SB 1103 – Commercial Rent Transparency

Thank you Chair Kalra, Vice Chair Dixon, and Members:

My name is Bianca Blomquist, California Director for Small Business Majority. We empower diverse entrepreneurs to build a thriving economy. I'm pleased to testify on SB 1103, legislation empowering California's entrepreneurs and non-profits to make informed decisions when entering commercial leases.

The current commercial rental marketplace lacks transparency and fairness. The deck is stacked against very small business owners, often run by entrepreneurs of color, or with immigrant-backgrounds. Very small business owners lack access to sophisticated legal resources, or dedicated departments to help them navigate the commercial leasing market. Today we have an opportunity to increase transparency in costs and provide greater certainty for small business owners, while leveling the playing field for those small landlords who are already doing the right thing.

Representing California's 4.1 million small businesses, Small Business Majority proudly co-sponsors SB 1103. Despite amendments to address the commercial property industry's concerns, this bill is not rent control. It will be a lifeline for new entrepreneurs and growing businesses. Our polling shows that 78% of small businesses struggled to afford rent at least once in the past few years. During COVID, nearly half of businesses with under \$100,000 in revenue were behind on rent.

This bill provides language transparency for small business owners when negotiated in languages other than English. It gives small business owners more time to relocate and move their workforce when their lease is up, and provides them with the certainty they need to run their businesses. This bill will generate a significant economic benefit over chain retailers. Local business owners keep money local through wages, benefits, and purchases, supporting community infrastructure like libraries and schools. Locally owned businesses consistently outperform chain competitors in these areas.

Imagine a California with fewer small businesses, replaced by larger ones with robust and sophisticated resources. Small business owners reinvest in their communities. Our markets need transparency and certainty to help small business owners make the best decisions for their businesses and employees. We strongly support SB 1103 and thank you for your continued work towards a vibrant and resilient small business economy.