



**MEETING AGENDA**

**Monday March 16, 2020**

Realtor House, 26529 Jefferson Ave, Murrieta

**Presiding: Adam Ruiz, Chair**

**2020 Strategic Initiatives**

*Budget & Tax Reform / Job Creation and Retention / Healthcare / Infrastructure & the Environment/ Public Safety*

**Call to Order, Roll Call & Introductions: 12:00 p.m.**

**Chair Report**

**Approval of Minutes**

**Action**

**2020 Legislative Report #3**

**Action**

1. [AB-2013 \(Irwin\) Property taxation: new construction: definition.](#)
2. [AB-2043 \(Gonzalez\) Unlawful business practices: employer liability: contracted supervisor.](#)
3. [AB-2149 \(Gonzalez\) Data sharing: food delivery platforms.](#)
4. [AB-2712 \(Low\) California Universal Basic Income \(CalUBI\) Program](#)
5. [SB-873 \(Jackson\) Gender: discrimination: pricing.](#)
6. [SB 806 \(Grove\) Worker status: employees: independent contractors.](#)
7. [AB 2465 \(Gonzalez\) Worker status: independent contractors: barbering and cosmetology.](#)
  - a) [AB-2489 \(Choi\) Worker status: employees: independent contractors: franchiser and franchisees.](#)
  - b) [AB 2458 \(Melendez\) Worker status: independent contractors: physical therapists.](#)
  - c) [AB 2497 \(Bigelow\) Worker status: independent contractors: livestock judges.](#)
  - d) [AB 2822 \(Waldron\) Worker status: independent contractors: transportation network companies.](#)
  - e) [AB-3281 \(Brough\) Worker status: independent contractors: business-to-business contracting relationship.](#)

**Guest speaker** Anne Mayer, Executive Director, RCTC **Information**

**Lunch sponsor** Corner Escrow **Thank you**

**Speaker and Chamber Announcements** **Information**

**Adjourn – Next Meeting April 20**

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Southwest Healthcare Systems

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Economic Development Coalition  
The Murrieta Temecula Group  
Southern California Edison  
The Gas Company  
California Apartment Association  
Western Municipal Water District



Lake Elsinore Chamber of Commerce  
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Murrieta/Wildomar Chamber of Commerce  
Temecula Valley Chamber of Commerce

**Meeting Minutes**

**Monday, February 24, 2020**

2020 Chair: Adam Ruiz

Legislative Consultant: Gene Wunderlich

**Directors Attendance**

- |                    |                      |
|--------------------|----------------------|
| ✓ Adam Bouvet      | ✓ Erik McLeod        |
| ✓ Adam Ruiz        | ✓ Gene Wunderlich    |
| ✓ Adria Poindexter | Greg Morrison        |
| Alex Braicovich    | ✓ Joan Sparkman      |
| ✓ Ben Benoit       | ✓ Pietro Canestrelli |
| Brad Neet          | ✓ Shane Lesovsky     |
| ✓ Daneen Ashworth  | ✓ Victor Morganroth  |
| ✓ Dennis Frank     |                      |

**Chamber Executives/Guest Attendance**

- |                    |                   |
|--------------------|-------------------|
| • Adam Eventov     | • Joseph Morabito |
| • Andy Abeles      | • Julie Ngo       |
| • Brenda Dennstedt | • Kelly Seyarto   |
| • Casey Deaver     | • Ken Dickson     |
| • Connie Lynch     | • Kim Cousin      |
| • Danielle Coats   | • Kim Niebla      |
| • Darlene Wetton   | • Krista McDougal |
| • Debbie Herrera   | • Laura Turnbow   |
| • Drake Levasheff  | • Lori Stone      |
| • Emily Falappino  | • Mike Mason      |
| • Glenn Miller     | • Myke Munroe     |
| • Jason Tang       | • Tom Grimes      |
| • Jeff Bott        | • Walter Wilson   |
| • Jennings Immel   |                   |

## Approval of Minutes

Motion to approve minutes seconded and carried.

## Legislative Report #2

1. **SB-850 (Leyva) Work Hours: Scheduling:** SB 850 would require an employer, including grocery stores, restaurants or retail stores, to provide employees with a work schedule at least 7 calendar days ahead of their first shift. If that schedule is modified, the employer would need to provide 'modification pay' equal to no less than 2 hours nor more than 4 at the employee's rate of pay in addition to their normal pay. **Motion to OPPOSE seconded and carried.**
2. **AB-1921 (Diep) Unlawful Entry Of A Vehicle:** This bill would make forcibly entering a vehicle, as defined, with the intent to commit a theft therein a crime punishable by imprisonment in a county jail for a period not to exceed one year or imprisonment in a county jail for 16 months, or 2 or 3 years. By creating a new crime, this bill would impose a state-mandated local program. **Motion to SUPPORT seconded and carried**
3. **AB-2140 (Melendez) Initiative And Referendum Measures: Title And Summary:** AB 2140 would remove the responsibility of writing ballot title and summary language from the elected, partisan Attorney General and require instead that the non-partisan office of the Legislative Analyst carry it out. It's time to remove this deceptive practice and provide Californian's with honest, accurate information. **Motion to SUPPORT seconded and carried.**
4. **AB-1928 (Kiley/Melendez) Employment Standards: Independent Contractors and Employees: Summary:** In January the SWCLC adopted a SUPPORT position on AB 1928, a bill that would repeal last year's AB 5 (Gonzalez). AB 5 codified the presumption that a worker who provides a service to a hirer is an employee rather than an independent contractor and have wreaked havoc on independent contractors statewide, prompting lawsuits, ballot propositions, protests and more. The following new bills have all been introduced in response to AB 5 and, given the assumption that AB 5 will not be repealed, seek to 'carve out' additional categories of independent contractors. **Motion to SUPPORT seconded and carried.**
  - A) **AB 1925 (Oberholte) Worker Status: Independent Contractors: Small Businesses:** This bill would expand the above-described exemptions to also include small businesses, as defined. For purposes of this paragraph, "small business" means a business that meets all of the following:
    - Is independently owned and operated.
    - Is not dominant in its field of operation.
    - Has fewer than 100 employees.
    - Has average gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years.
  - B) **SB-867 (Bates) Worker status: Independent Contractors: Newspaper Distributors or Newspaper Carriers:** Existing law exempts specified occupations and business relationships from the application of Dynamex and the provisions described above. These exemptions include a temporary exemption for newspaper distributors or newspaper carriers, as defined, until January 1, 2021. This bill would delete the above inoperative date of January 1, 2021, applicable to newspaper distributors or newspaper carriers, thereby making the above exemption apply indefinitely.
  - C) **SB-868 (Bates) Worker Status: Independent Contractors: Freelance Journalists:** Existing law exempts professional services provided by a freelance writer, editor, or newspaper cartoonist who does not provide content submissions to the putative employer more than 35 times per year. This bill would revise that exemption to instead exempt all freelance journalists, without regard to the number of content submissions per year, from the application of Dynamex and the above provisions.
  - D) **SB- 875 (Grove and Jones) Worker Status: Independent contractors: Court interpreters:** This bill would also exempt from the ABC test specified individuals working as interpreters and translators.
  - E) **SB-881 (Jones) Worker Status: Independent Contractors: Musicians and Music Industry Professionals:** This bill would expand the above described exemptions to also include a musician or music industry professional except as specified: except where a collective bargaining agreement applies
  - F) **SB-963 (Morrell) Worker Status: Independent Contractors: Referees and Umpires for Youth Sports:** This bill would expand the above-described exemptions to also include individuals providing services as a referee or umpire for an independent youth sports organization. **Motion to amend bill to include coaches seconded and carried**

- G) **SB-965 (Nielsen) Worker status: independent contractors: Healthcare Industry:** This bill would expand the above-described exemptions to also include health facilities, as defined, which contract with companies that employ health care providers who provide services to patients at those facilities.
- H) **SB-966 (Nielsen) Worker Status: Independent Contractors: Pharmacists:** This bill would expand the above-described exemptions to also include individuals who are licensed pharmacists.
- I) **SB-967 (Borgeas) Worker Status: Independent Contractors: Franchiser and Franchisees:** This bill would prohibit franchisees from being deemed employees of a franchisor, and would require that they be considered independent contractors, unless a court of competent jurisdiction determines specified requirements are met.
- J) **SB-975 (Dahle) Worker Status: Independent Contractors: Alarm Services Industry:** This bill would expand the above-described exemptions to also include individuals providing services as a licensed timber operator or a registered professional forester, as provided. The bill would also exempt licensed geologists, geophysicists, land surveyors, contractors, engineers, and pest control operators, when those persons are performing work on forested landscapes, as specified.
- K) **SB 990 (Moorlach) Worker Status: Independent Contractors: Transportation Network Companies:** This bill would also exempt transportation network companies from the application of Dynamex and the above provisions.

**Motion to APPROVE items A-K with the modification on SB 963 seconded and carried.**

**5) California Proposition 13, School and College Facilities Bond (March 2020):** Proposition 13 would authorize \$15 billion in bonds for school and college facilities in California, including \$9 billion for preschool and K-12 schools, \$4 billion for universities, and \$2 billion for community colleges. According to the California Legislative Analyst, the state would make payments totaling an estimated \$26 billion, including \$15 billion in principal and \$11 billion in interest, over 35 years from the General Fund. This Prop. 13 puts all taxpayers at risk of higher taxes. **Motion to OPPOSE seconded and carried**

**6) CA Local Rent Control Initiative-** "yes" vote supports this ballot initiative to allow local governments to enact rent control on housing that was first occupied over 15 years ago, with an exception for landlords who own no more than two homes with distinct titles or subdivided interests. A "no" vote opposes this ballot initiative, thereby continuing to prohibit rent control on housing that was first occupied after February 1, 1995, and housing units with distinct titles, such as single-family homes. **Motion to OPPOSE seconded and carried. 3 Abstained**

#### Guest Speaker/Presentation

**Jennings Immel: US Chamber of Commerce:**

#### Speaker and Chamber Announcements

##### 28<sup>th</sup> State Senate

Reported by Debbie Herrera: Update on Darrell Connerton

##### Assembly member Mellissa Melendez

Reported by Casey Deaver: Legislative update and upcoming events

##### Assembly member Marie Waldron

Reported by Kristy McDougall: Legislative Update

##### Lake Elsinore Chamber of Commerce

Reported by Kim Cousins: Upcoming Events

##### Murrieta/Wildomar Chamber of Commerce

Reported by Myke Munroe: Upcoming Events

##### Temecula Valley Chamber of Commerce

Reported by Laura Turnbow: Upcoming events

**Adjournment: 1:16pm**

**AB-2013 (Irwin) Property taxation: new construction: definition.**

Recommended action: **SUPPORT**  
Presentation: Gene Wunderlich

**Summary:**

Disaster Relief to Homeowners and Businesses Seeking to Rebuild. Provides greatly needed assistance to victims of natural disasters who choose to reconstruct destroyed homes and business structures on the original site of the disaster, by exempting this reconstruction from being assessed at a higher tax rate.

**Description:**

**The California Constitution** generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing law defines “newly constructed” and “new construction” to mean any addition to real property since the last lien date and any alteration of land or of any improvement since the last lien date that constitutes a major rehabilitation thereof or that converts the property to a different use. Existing law, where real property has been damaged or destroyed by misfortune or calamity, excludes from the definition of “newly constructed” and “new construction” any timely reconstruction of the real property, or portion thereof, where the property after reconstruction is substantially equivalent to the property prior to damage or destruction.

**This bill** would define the term “substantially equivalent” for purposes of the provisions described above to mean the size of the improvement after reconstruction does not exceed 120% of the size of the improvement prior to damage or destruction or the full cash value of the improvement after reconstruction does not exceed 120% of the full cash value of the improvement prior to damage or destruction. The bill would apply this definition to real property damaged or destroyed by misfortune or calamity on or after January 1, 2017.

**Arguments in support:**

Victims suffering the loss of homes or businesses experiencing catastrophic impacts due to fire, mudslide, flood or other calamity should receive as much assistance as possible within California’s property tax laws. Under current California law, disaster victims who choose to purchase a replacement dwelling or build a replacement building within the county where the calamity occurred are allowed to replace the destroyed building with a new one that is up to 120 percent replacement value if the size, function, and value are substantially equivalent. This same standard of 120 percent does not exist in current law for those property owners who rebuild on the site of a disaster. **AB 2013** solves this disparity in California’s property tax code.

**AB 2013** corrects the inequity in current law by amending Section 70 of the Revenue and Taxation Code to define “substantially equivalent” to establish a bright line for either size or value for the portion of the property that is a “reconstructed improvement” of properties destroyed by a natural disaster. Anything over 120 percent of the old value would be assessable as new construction.

**Support: (Verified 3/12/2020)**

None on file

**Opposition: (Verified 3/12/2020)**

None on file

**Status:** Assembly Revenue & Taxation

**Senate Floor votes:**

**Assembly floor votes:**

| Legislative Item #2 | Action |
|---------------------|--------|
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**[AB-2043 \(Gonzalez\) Unlawful business practices: employer liability: contracted supervisor.](#)**

**Recommended action: OPPOSE**  
**Presentation: Gene Wunderlich**

**Summary:**

**Expands joint liability for contracted supervisors to all employment-related harassment claims.** There is no basis for holding a business that contracts for services statutorily liable for the harassment of another's employees when there is no way in which that contractor can engage or force a labor contract company to comply with provisions of the Fair Employment and Housing Act or the Labor Code.

**Description:**

**Existing law**, the California Fair Employment and Housing Act, among other things, **prohibits an employer**, a labor organization, an employment agency, an apprenticeship training program, or any training program leading to employment **from harassing, based upon enumerated protected characteristics, such as race or gender**, an employee, an applicant, an unpaid intern or volunteer, or a person providing services pursuant to a contract.

**This bill** would **also make a client employer responsible for the acts of a contracted supervisor**, as those terms are defined, for specified prohibited harassment under these provisions.

**Argument in opposition**

Would hold a contractor, and possibly even an individual, who hires a sub-contractor, responsible for the actions of that sub-contractor for alleged violations of the Fair Employment and Housing Act.

**Support: (Verified 3/12/2020)**

None on file

**Opposition: (Verified 3/12/2020)**

None on file

**Status:** Assembly Committees on Labor and Employment, Judiciary

**AB-2149 (Gonzalez) Data sharing: food delivery platforms.**

Recommended action: **OPPOSE**  
Presentation: Gene Wunderlich

**Summary:**

AB 2149 would upend consumer privacy requirements by authorizing restaurants and other food facilities to obtain address, phone number and email addresses of consumers ordering through a food delivery platform.

**Description:**

**Existing law**, the California Consumer Privacy Act of 2018, grants a consumer various rights in connection with a business, as defined, that collects the consumer's personal information. The act defines various terms for these purposes. The act prohibits a business from discriminating against a consumer for exercising any of the consumer's rights under the act, except as specified. The act requires a business to make certain disclosures to consumers regarding a consumer's rights under the act in a specified manner.

**Existing law**, the California Retail Food Code, establishes uniform health and sanitation standards for retail food facilities for regulation by the State Department of Public Health and requires local health agencies to enforce those provisions. Existing law defines "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level.

**This bill** would authorize a food delivery platform, as defined, to share certain consumer information with a food facility with respect to consumers who have purchased food from the food facility through the food delivery platform. The bill would authorize the sharing of a consumer's email address, telephone number, and delivery address. The bill would limit the requesting of that information to one request per calendar year.

**Support: (Verified 3/12/2020)**

None on file

**Opposition: (Verified 3/12/2020)**

None on file

**Status:** Assembly Privacy and Consumer Protection

**AB-2712 (Low) California Universal Basic Income (CalUBI) Program**

**Recommended action: OPPOSE**  
**Presentation: Gene Wunderlich**

**Summary:**

This bill would impose a 10% Value Added Tax (VAT) on goods and services to fund the California Universal Basic Income Program (CalUBI). This program would appropriate \$1,000 basic income per month to every California resident over the age of 18, with the exception of those specified exemptions. EVERYBODY, regardless of income or need. And EVERYBODY pays at additional 10% on all goods and services.

**Background:**

**Existing law** establishes the State Department of Social Services and requires the department to administer various public social services programs, including the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which each county provides cash assistance and other benefits to qualified low-income families and individuals, and the CalFresh program, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county.

**This bill** would require the department, subject to an appropriation by the Legislature, to administer the California Universal Basic Income Program, under which a California resident who is 18 years of age or older shall receive a universal basic income of \$1,000 per month, except as specified. The bill would define universal basic income to mean unconditional cash payments of equal amounts issued monthly to individual residents of California with the intention of ensuring the economic security of recipients. The bill would authorize the department to adopt regulations to implement the program, and would state the intent of the Legislature to fund the CalUBI Program with a value-added tax of 10% on goods and services, as specified.

Subject to an appropriation by the Legislature for this purpose, the State Department of Social Services shall administer the California Universal Basic Income (CalUBI) Program. Under the CalUBI Program, a California resident who is 18 years of age or older shall receive a universal basic income of \$1,000 per month, except as specified in subdivision (b).

California residents who are 18 years of age or older and receiving benefits under the Medi-Cal program, the County Medical Services Program, the CalFresh program, the CalWORKs program, or Unemployment Insurance shall not be eligible to receive a universal basic income under the CalUBI Program.

**Support: (Verified 3/12/2020)**

None on file

**Opposition: (Verified 3/12/2020)**

None on file

**Status:** Pending referral

**SB-873 (Jackson) Gender: discrimination: pricing.**

Recommended action: **OPPOSE**  
Presentation: Gene Wunderlich

**Summary:**

**Exposes businesses to costly litigation** for a consumer's assertion that any price difference on "substantially similar" goods, even a nominal amount, is based on gender and therefore the consumer is entitled to a minimum of \$4,000. This bill is one of the first identified **JOB KILLERS** by the CalChamber for the 2020 session.

**Description:**

**Existing law**, the Gender Tax Repeal Act of 1995, prohibits a business establishment from discriminating against a person because of the person's gender with respect to the price charged for services of similar or like kind and specifies that this prohibition does not apply to price differences based specifically upon the amount of time, difficulty, or cost of providing the services.

**This bill** would also **prohibit a business establishment from discriminating against a person because of a person's gender with respect to the price charged for any 2 consumer products from the same manufacturer that are substantially similar if those products are priced differently based on the gender of the individuals for whose use the products are intended or marketed, as specified.**

**The bill** would include findings that changes proposed by **this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.**

The following business establishments shall clearly and conspicuously disclose to the customer in writing the pricing for each standard service provided:

(A) **Tailors** or businesses providing aftermarket clothing alterations.

(B) **Barbers or hair salons.**

(C) **Dry cleaners and laundries** providing services to individuals.

(2) The **price list shall be posted** in an area conspicuous to customers. Posted price lists shall be in no less than 14-point boldface type and clearly and completely display pricing for every standard service offered by the business under paragraph (1).

(3) The business establishment shall **provide the customer with a complete written price list upon request.**

(4) The **business establishment shall display in a conspicuous place** at least one clearly visible sign, printed in no less than 24-point boldface type, which reads: "CALIFORNIA LAW PROHIBITS ANY BUSINESS ESTABLISHMENT FROM DISCRIMINATING, WITH RESPECT TO THE PRICE CHARGED FOR SERVICES OF SIMILAR OR LIKE KIND, AGAINST A PERSON BECAUSE OF THE PERSON'S GENDER. A COMPLETE PRICE LIST IS AVAILABLE UPON REQUEST."

(5) A business establishment that fails to correct a violation of this subdivision within 30 days of receiving written notice of the violation is liable for a civil penalty of one thousand dollars (\$1,000).

(6) For the purposes of this subdivision, "standard service" means the 15 most frequently requested services provided by the business.

(1) Commencing January 1, 2021, a city, county, or city and county that issues business licenses shall provide a business, at the time the business is issued the license or when the license is renewed, written notice of these provisions in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. In order to

comply with this paragraph, a city, county, or city and county may provide the business with the notice created by the Department of Consumer Affairs under subdivision (b) of Section 55.63.

(2) A city, county, or city and county that issues business licenses may increase the fee for that license in an amount not to exceed the reasonable costs of providing the written notice above.

### **Arguments in opposition:**

**SB 873** will expose small and large businesses to the same costly litigation that has been plaguing the business community with regard to disability access, for minimal price differences for “substantially similar” goods that are based on gender-neutral factors. Additionally, in an effort to comply, **SB 873** will force businesses into determining the gender of various products by engaging in gender stereotyping based upon traditional social expectations that scholars have urged businesses to avoid. Finally, instead of reducing prices, **SB 873** will eliminate discounts, coupons, or sales, thereby potentially costing consumers more.

For example, a consumer could go to a separate retailer or even the same retailer daily and purchase multiple items they believe or claim are substantially similar, yet priced differently (even \$0.01 would be enough), and request the business to settle with them for a minimum of \$4,000 or face costly litigation. While the business may very well be able to prove the price difference was based upon a gender-neutral reason, or a “bona-fide factor” such as different manufacturer, high inventory, or even increased costs for marketing or display, the cost of litigation to prove that defense is significant.

### **Support: (Verified 3/12/2020)**

None on file

### **Opposition: (Verified 3/12/2020)**

CalChamber

**Status:** Senate Judiciary, Governance & Finance, Appropriations

| Legislative Item #6 | Action |
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### **SB 806 (Grove) Worker status: employees: independent contractors.**

*(Coauthors: Senators Bates, Borgeas, Chang, Dahle, Jones, Moorlach, Morrell, Nielsen, and Wilk)*

**Recommended action: SUPPORT**

**Presentation: Gene Wunderlich**

### **Summary:**

SB 806 would repeal the provisions of AB 5

### **Description:**

**Existing law** exempts specified occupations and business relationships from the application of Dynamex and these provisions. Existing law instead provides that these exempt relationships are governed by the test adopted in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341.

**This bill** would repeal these statutory provisions.

The bill would, instead, establish a new test that, for purposes of specific provisions of the Labor Code governing the relationship of employer and employees, a person providing labor or services for remuneration is considered an employee rather than an independent contractor, unless the hiring entity demonstrates that the person is:

(1) free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact, determined by a preponderance of factors, with no single factor of control being determinative, and **either** that

(2) the person performs work that is outside the usual course of the hiring entity's business, or the work performed is outside the place of business of the hiring entity, or the worker is responsible for the costs of the place of the business where the work is performed, **or** that

(3) the person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed. The bill would apply the new test to all pending claims, whether in civil court or as an administrative action, filed on or after January 1, 2018, that relate to the classification of workers in this state.

### **Arguments in support:**

The Dynamex decision created a new, one-size-fits-all and far more restrictive ABC test consisting of just three factors, of which **all must be met** in order for an individual to be classified as an independent contractor. Prior to this decision, the ABC test never existed in California statute or regulation.

**Such a momentous policy change should not be made by judicial fiat**; instead, it should be made by the Legislature.

Accordingly, the Legislature acted by passing Assembly Bill 5 (Chapter 296 of the Statutes of 2019), thereby codifying the Dynamex decision, as well as 57 carveouts for various industries, professions, and businesses.

With the exception of independent contractor relationships within the various industries, professions, and businesses that received a carveout in Assembly Bill 5, most freelancers no longer have the freedom to work as independent contractors.

**Codifying the Dynamex decision with carveouts for some industries, professions, and businesses was not the only option available to the Legislature. The Legislature could have acted to protect the livelihood of the millions of Californians who choose to work as independent contractors and whose livelihoods were put at risk by the Dynamex decision.**

**Assembly Bill 5 represents a lost opportunity** for independent contractors and other freelancers by eliminating the choice that more and more Californians are making for their work and quality of life.

The Dynamex decision and Assembly Bill 5 **do not accurately reflect today's economic and worklife balance realities, including the changing demands of the modern workplace.**

Of the 22 states that utilize an ABC test, **only California and Massachusetts apply the ABC factors in such a narrow and inflexible way**, and only 7 apply these factors for wage and hour purposes, while all others apply an ABC test for unemployment insurance purposes only.

Economic freedom is foundational to the American way of life, and the Dynamex decision and Assembly Bill 5 delivered a destructive blow to this foundation.

The right to earn a living is a natural right reserved to the people, and the **Dynamex decision and Assembly Bill 5 undermine this natural right.**

According to numbers provided by the Legislative Analyst's Office, Assembly Bill 5 threatens the livelihoods of roughly one million independent contractors who will no longer be able to work as freelancers.

It is intent of the Legislature that **Senate Bill 806 overturn the Dynamex decision and repeal and replace Assembly Bill 5 with a broad, flexible and workable test for determining independent contractor status.**

*It is also the intent of the Legislature that the new ABC test in Senate Bill 806 provide maximum flexibility in allowing for independent contractor relationships in order to ensure that all those industries, businesses, and professions that legally and appropriately enjoyed independent contracting relationships prior to the Dynamex decision and Assembly Bill 5 can continue to do so now and in the future.*

*It is also the intent of the Legislature that, for any industry, profession, or business that had legally and appropriately enjoyed independent contractor relationships prior to the Dynamex decision and Assembly Bill 5, but that may struggle to meet the new ABC test in Senate Bill 806, subsequent legislation to amend Senate Bill 806 shall be enacted to ensure that others can continue to enjoy independent contracting relationships.*

**Support: (Verified 3/12/2020)**

None on file

**Opposition: (Verified 3/12/2020)**

None on file

**Status:** Senate Labor, Public Employment and Retirement

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| <b>Legislative Item #7</b> |
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| <b>Action</b> |
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**[AB 2465 \(Gonzalez\) Worker status: independent contractors: barbering and cosmetology.](#)**

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Summary:**

Not content with the carve-out obtained in her landmark AB 5 last year. Ms. Gonzalez proposes to 'reorganize' the exemption, establish new regulation for a 'booth renter' permit, and, of course, implement a new fee for the privilege.

**Description:**

**Existing law**, as established in the case of Dynamex Operations W. Inc. v. Superior Court (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for purposes of specified wage orders. Existing law exempts specified occupations and business relationships from the application of Dynamex and these provisions, including a person licensed as an esthetician, electrologist, manicurist, barber, or cosmetologist who meets specified requirement. Existing law instead provides that these exempt relationships are governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341.

**Existing law**, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practice of barbering and cosmetology by the State Board of Barbering and Cosmetology in the Department of Consumer Affairs. Existing law authorizes the board to make rules and regulations in furtherance of the act.

**This bill** would recast and reorganize the exemptions for a person licensed as an esthetician, electrologist, manicurist, barber, or cosmetologist.

**This bill** would also require the Board of Barbering and Cosmetology, by July 1, 2022, to adopt regulations for the development of a booth renter permit and a biennial fee, as specified, for a person licensed as an esthetician, licensed electrologist, licensed manicurist, licensed barber, or licensed cosmetologist, for purposes of compliance with Labor Code requirements for exemption from the presumption employee status for those individuals.

**Status:** Assembly Business and Professions, Labor and Employment

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| <b>Legislative Item a</b> | <b>Action</b> |
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[AB-2489 \(Choi\) Worker status: employees: independent contractors: franchiser and franchisees.](#)

Recommended action: **SUPPORT**

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| <b>Legislative Item b</b> | <b>Action</b> |
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[AB 2458 \(Melendez\) Worker status: independent contractors: physical therapists.](#)

Recommended action: **SUPPORT**

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| <b>Legislative Item c</b> | <b>Action</b> |
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[AB 2497 \(Bigelow\) Worker status: independent contractors: livestock judges.](#)

Recommended action: **SUPPORT**

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| <b>Legislative Item d</b> | <b>Action</b> |
|---------------------------|---------------|

[AB 2822 \(Waldron\) Worker status: independent contractors: transportation network companies.](#)

Recommended action: **SUPPORT**

|                           |               |
|---------------------------|---------------|
| <b>Legislative Item e</b> | <b>Action</b> |
|---------------------------|---------------|

[AB-3281 \(Brough\) Worker status: independent contractors: business-to-business contracting relationship.](#)

Recommended action: **SUPPORT**



**2020 Meeting Schedule  
w/ Guest speakers**

~~1/27 Open — Capt. Tony Conrad, Murrieta PD~~

~~2/24 Open — Jennings Immel, U.S. Chamber of Commerce~~

3/16 Open – Anne Mayer, Executive Director, RCTC

4/20 Open

5/18 Open

6/15 Open

7/20 Open

8/17 Open

9/21 Open

10/19 Open

11/16 Closed

12/16 Dark