

## Anti-Gig Worker Bill Passes California Senate

By Amy Stulick

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The California Senate late Tuesday approved a landmark measure, Assembly Bill 5, which aims to transform many contract workers in the state to employees.

The bill passed 29-11 and heads to state Assembly next, and lastly Gov. Gavin Newsom.

"I think the writing is on the wall, that it's going to be signed. Gov. Newsom has already indicated that he supports it," said employment lawyer Sue Bendavid, partner at Encino's Lewitt Hackman Shapiro Marshall and Harlan. "I think there's still some vague parts of the statute, some parts that are still unclear. I think it still needs work. I hope they take another look at it and try to clean it up."

AB 5, authored by Assemblywoman Lorena Gonzalez, codifies the state Supreme Court's ruling on Dynamex Operations West Inc., which resulted in a new test that in effect outlaws many independent contractors, presumably prompting businesses to hire them as employees.

The bill carves out exemptions for certain occupations, including licensed insurance agents, investment advisers, medical professionals and hairstylists. On the other hand, many of today's so-called gig workers, such as Uber and Lyft drivers, face changes in their work arrangement if the bill eventually is signed into law.

"They were picking winners and losers," said Stuart Waldman, president of the Valley Industry and Commerce Association. "We would have liked to have seen something that was good policy, that would have taken into consideration what actually is an independent contractor and what isn't, and it's unfortunate that they're going after these gig economy workers."

"It's going to wreak havoc on the economy, I think," Waldman added.