



Is the path to Unionized Gig Workers Paved through Credit Card Gratuities?

Insights

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If at first you don't succeed, try, try again. This mantra holds true for California Assemblywoman Lorena Gonzalez Fletcher. In February 2017, Gonzalez Fletcher introduced Assembly Bill 1099 – appropriately named for the IRS Form 1099 that independent contractors and gig workers receive each year. AB 1099 has recently passed the State Assembly, and is now pending before the Senate Labor and Industrial Relations Committee. Specifically, AB 1099 would require companies that accept credit card payments to allow patrons to leave gratuities by credit card as well.

While this bill does not directly dictate whether gig economy workers are able to unionize, Gonzalez Fletcher was the same Assemblywoman who introduced the doomed (and consistently named) “1099 Self-Organizing Act” in 2016. AB 1727 sought to amend state labor law and allow 10 or more independent contractors, who work for “hosting platforms” such as Uber and Lyft, to join in union-like groups and negotiate workplace protections. The bill was pulled in April 2017, after critics from both sides of the aisle—including the Teamsters—balked at the lack of research and planning to tackle the complex ideology that is unionizing gig workers.

While AB 1099 mentions nothing about unionizing, and even applies to traditional employers such as nail salons, spas, and other serviced-based companies, Gonzalez Fletcher has made her intentions to unionize the gig economy clear. Upon pulling AB 1727 in 2016, she contended that she would still prepare a new unionization bill to reach Governor Jerry Brown's desk before his term ends in 2018.

With California's independent contractor workforce comprising of 1.9 million workers, this will be an important issue to monitor in the coming years. This is emphasized by the fact that Trump's most recent nominations to the National Labor Relations Board indicate that employers can feel certain that an agenda allowing gig workers to unionize on a federal level is not coming any time soon.