



Will New York Be The Next Gig Economy Battlefield?

Insights

9.17.19

“Anything you can do, I can do better.” That’s essentially the sentiment floating around Albany these days as New York lawmakers look enviously towards California and its groundbreaking new law that will soon revolutionize the way workers are characterized as contractors or employees. In the wake of California’s AB 5 – a bill that will codify the stringent ABC test into state law and make it extremely difficult for companies to classify their gig economy workers as independent contractors – New York legislative leaders are lining up to be next to reshape the state’s misclassification test, according to Newsday, “on a scale that one veteran lawmaker said would be similar to sweeping changes made during the Industrial Revolution.”

There are several signs that a similar ABC test could be coming to the Empire State. Among them:

- In just a few short weeks, the New York State Senate will hold a public hearing in Manhattan to address the issue. The October 16 hearing was already scheduled before the California law passed, but no doubt that it will play a role in New York’s discussions. Senator Diane Savino (D-Staten Island), chairwoman of the Senate Internet and Technology Committee, recently said that “California has gone forward, but we’re going to have to be even stronger than California.”
- Legislative leaders had reportedly been preparing their research for their own version of AB 5 before the 2019 legislative session came to a close, and they will look to hit the ground running during the upcoming 2020 legislative session with their own proposals ready to go.
- Governor Cuomo has indicated that he would support such a measure, and admitted a certain amount of jealousy that California passed an ABC test law before New York. He recently said that California’s action got his attention and got his “competitive juices flowing.” He affirmed his commitment to protecting workers, and said that part of that charge including “redefining a worker as an employee, as opposed to an independent contractor.”
- Finally, organized labor is solidly behind any such legislation. “Building on the historic success of our brothers and sisters in California, here in New York State we will not rest until app workers are afforded the same rights as other hardworking men and women, including the ability to join together to form a union,” said Mario Cilento, president of the New York State AFL-CIO.

Just as we did with AB 5 in California, we’ll monitor the state of affairs in New York and report any developments in this area.

Related People



Melissa Camire

Partner

212.899.9965

Email