



# California Voters May Get Chance To Overturn ABC Test For Gig Drivers

Insights

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When California's AB 5 was signed into law last month, a chorus of voices decried the fact that it could radically change the gig economy as we know it. Many contended that the average app-based driver enjoyed being an independent contractor and didn't want to see changes to the law that would make it harder for them to be classified as such. This time next year, California voters may have a chance to give voice to those critics and scrap the ABC test when it comes to gig economy drivers.

A group of industry companies have banded together to submit a ballot measure that would preserve app-based drivers' ability to act as independent contractors. The Protect App-Based Drivers & Services Act, unveiled yesterday, would not only ensure that the average gig economy driver remained an independent contractor under state law but would also grant a new suite of benefits to such workers (including a minimum wage and a form of healthcare benefits).

Similar to the laws passed in other states, the measure would cement contractor status for app-based drivers provided that the hiring entity:

- permits the worker to select their own dates, times, and hours of work;
- allows the worker to reject a request for an assignment any time they wanted;
- lets workers perform services for any other company, including direct competitors; and
- does not restrict the worker from performing any other kind of work.

It would also require a minimum earning guarantee of at least 120% minimum wage, while permitting healthcare subsidies consistent with employer contributions under the ACA for all those driving 15 hours per week or more.

In order to qualify for the November 2020 ballot, the backers need to collect about 650,000 signatures by June. That process will begin in the early part of the new year, after the title and measure summary is approved by the California Attorney General. We will provide updates regarding this ballot measure as we progress toward Election Day 2020.

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