



# Gig Economy Changes In New York Placed On Hold By COVID-19 Crisis

Insights

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Following a proposed and failed bill in the New York State legislature during Summer 2019 that would have created a new category of “Dependent Worker,” and California’s passage of AB-5, which codified the ABC “employment” test into law, all signs pointed to 2020 being the year that New York instituted a sea change to the definition of independent contractor. In his 2020 State of the State address, Governor Cuomo reiterated that introducing new laws to govern gig economy workers that haven’t fit under the definition of “employee” was a priority. The governor’s January budget proposal also called for a task force to study the issue.

However, during his March 26 daily press conference on COVID-19 issues, the governor addressed the budget shortfall faced by the state for the fiscal year beginning on April 1, 2020, given the tremendous effect COVID-19 has had on New York State’s economy. Governor Cuomo was asked whether the gig economy task force would still be proceeding in the upcoming budget, and he responded that it was unlikely, stating:

The gig economy is a complicated issue. And I don’t believe we’re going to get the gig economy done in time for the budget. If they do come back and they do stay for weeks, and we have time to talk it through, fine. But if you are asking me are we going to be ready by next Tuesday? I don’t think so.

As things stand right now, it appears that things will remain status quo for gig economy employers through 2020, although we expect this issue to be on the horizon again in 2021. **[Ed. Note: As expected, the budget released on April 2 contained no provision for a gig economy task force.]**

In the meantime, Governor Cuomo has used his office in other ways to help gig economy workers affected by COVID-19, such as by pushing the federal government to provide unemployment assistance to independent contractors who have been economically harmed by COVID-19. Indeed, the recently passed CARES Act provided for additional unemployment compensation for gig economy workers like those who are self-employed or are independent contractors.

We will be providing updates after the budget is released.

## ***Related People***

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