
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

**AB 1506 (Kaira) - Worker status: employees and independent contractors:
newspaper distributors and carriers**

Version: July 6, 2021

Urgency: No

Hearing Date: August 26, 2021

Policy Vote: L., P.E. & R. 5 - 0

Mandate: No

Consultant: Robert Ingenito

Bill Summary: AB 1506 would (1) extend for three years an existing exemption for newspaper distributors and carriers from the 'ABC Test' under Dynamex (AB 5), and (2) require them to submit specified information to the Labor and Workforce Development Agency (LWDA) on the number of carriers utilized as independent contractors and as employees, as well as their wage rates and information to demonstrate compliance of their carriers with the *Borello* test.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 26, 2021**

Fiscal Impact:

- LWDA indicates that it would incur significant costs, minimally in the hundreds of thousands of dollars annually through 2024, to develop a data collection process, collect and analyze the data.
- Any costs to the Employment Development Department (EDD) would be minor and absorbable.
- The Department of Industrial Relations (DIR) can implement its provisions of the bill with funding from AB 5 (Gonzalez, Chapter 296, Statutes of 2019).

Author Amendments: Make specified changes to the bill's requirements concerning newspaper publishers and distributors reporting certain information to LWDA.

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