

---

## SENATE COMMITTEE ON TRANSPORTATION

Senator Dave Cortese, Chair

2025 - 2026 Regular

---

<b>Bill No:</b>	AB 1340	<b>Hearing Date:</b>	7/8/2025
<b>Author:</b>	Wicks		
<b>Version:</b>	6/19/2025 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Isabelle LaSalle		

**SUBJECT:** Transportation network company drivers: labor relations

**DIGEST:** This bill would establish the Transportation Network Company (TNC) Drivers Labor Relations Act and require the Public Employment Relations Board (PERB) to protect TNC drivers' collective bargaining rights under the Act.

### ANALYSIS:

#### *Existing law:*

- 1) Governs collective bargaining in the private sector under the federal National Labor Relations Act (NLRA), but leaves it to the states to regulate collective bargaining in their respective public sectors. While the NLRA and the decisions of its National Labor Relations Board (NLRB) often provide persuasive precedent in interpreting state collective bargaining law, public employees have no collective bargaining rights absent specific statutory authority establishing those rights. (29 United States Code §§151 et seq.)
- 2) Provides under the U.S. Constitution that federal law preempts state law when the two conflict. (U. S. Const., Art. VI, cl. 2.)
- 3) Requires under U.S. Supreme Court jurisprudence that “[w]hen an activity is arguably subject to §7 or §8 of the [NLRA], the States as well as the federal courts must defer to the exclusive competence of the National Labor Relations Board”. (*San Diego Building Trades Council v. Garmon*, 359 U. S. 236, 245 (1959))<sup>1</sup>

---

<sup>1</sup> As restated by Justice Barret in *Glacier Northwest, Inc. v. International Brotherhood of Teamsters Local Union No. 174*, 598 U.S. 771 (2023), “Preemption under the NLRA is unusual, though, because our precedent maintains that the NLRA preempts state law even when the two only arguably conflict. *San Diego Building Trades Council v. Garmon*, 359 U. S. 236, 245 (1959) (‘When an activity is arguably subject to §7 or §8 of the [NLRA], the States as well as the federal courts must defer to the exclusive competence of the National Labor Relations Board’). This doctrine—named Garmon preemption after the case that originated it—thus goes beyond the usual preemption rule.”

- 4) Provides several statutory frameworks under California law to provide *public employees* collective bargaining rights, govern public employer-employee relations, and limit labor strife and economic disruption in the public sector through a reasonable method of resolving disputes regarding wages, hours and other terms and conditions of employment between public employers and recognized public employee organizations or their exclusive representatives. (See e.g., the Meyers-Milias-Brown Act (MMBA) which governs employer-employee relations for local public employers and their employees.) (Government Code §§ 3500 et seq.)
- 5) Establishes the Public Employment Relations Board (PERB), a quasi-judicial administrative agency charged with administering certain statutory frameworks governing *California* state and local public employer-employee relations, resolving disputes, and enforcing the statutory duties and rights of public agency employers, employees, and employee organizations. (Government Code §3541 et seq.)
- 6) States that an app-based driver is an independent contractor and not an employee or agent with respect to the app-based driver's relationship with a network company if the following conditions are met:
  - a) The network company does not unilaterally prescribe specific dates, times of day, or a minimum number of hours during which the app-based driver must be logged into the network company's online-enabled application or platform.
  - b) The network company does not require the app-based driver to accept any specific rideshare service or delivery service request as a condition of maintaining access to the network company's online-enabled application or platform.
  - c) The network company does not restrict the app-based driver from performing rideshare services or delivery services through other network companies except during engaged time.
  - d) The network company does not restrict the app-based driver from working in any other lawful occupation or business. (Business and Professions Code (B&P) §7451)<sup>2</sup>

---

Under *Garmon*, States cannot regulate conduct 'that the NLRA protects, prohibits, or arguably protects or prohibits.' *Wisconsin Dept. of Industry v. Gould Inc.*, 475 U. S. 282, 286 (1986)."

<sup>2</sup> California voters enacted these provisions by approving Proposition 22, *The Protect App-Based Drivers and Services Act*, in the November 3, 2020, statewide general election.

- 7) Defines an app-based driver as a Delivery Network Company courier, TNC driver, or Transportation Charter Party driver or permit holder that meets specified conditions. (B&P Code §7463(a))
- 8) Requires a network company to ensure that for each earnings period, the company compensates an app-based driver not less than a specified net earnings floor. The net earnings floor establishes a guaranteed minimum level of compensation for app-based drivers. (B&P Code §7453(a))
- 9) Requires a network company, consistent with the average contributions required under the Affordable Care Act, to provide a quarterly health care subsidy to qualifying app-based drivers, as described. (B&P Code §7454(a))
- 10) Provides by initiative, approved by the voters in Proposition 22 (2020) and upheld by the California Supreme Court, that TNC drivers are independent contractors not employees pursuant to AB 5. (Proposition 22, *The Protect App-Based Drivers and Services Act*, November 3, 2020, codified as Cal. Bus. & Prof. Code § 7448-7467 (West 2020); *Castellanos v. State of California*, 89 Cal. App. 5th 131, 2023; AB 5 (Gonzalez, Chapter 296, Statutes of 2019))
- 11) Establishes the Agricultural Labor Relations Act through which the Legislature provides collective bargaining rights to agricultural workers whom the NLRA excludes from its provisions. (Labor Code §1140 et seq.)

**This bill:**

**Title, Declarations, and Policy**

- 1) Establishes the Transportation Network Company Drivers Labor Relations Act (TNCDLRA) in the Business and Professions Code to provide transportation network company (TNC) drivers the opportunity to self-organize and designate representatives of their own choosing.
- 2) Declares state policy to promote collective bargaining rights for transportation network drivers and state intent that the state action antitrust exemption apply to TNC drivers and their representatives.
- 3) Provides that TNCDLRA establish a robust system to authorize negotiations between transportation network drivers and transportation network companies, while accommodating Proposition 22, the “Protect App-Based Drivers and Services Act,” which California voters approved in November 2020.

**Definition of Terms**

4) Defines the following terms:

- a) “Active TNC driver” means a TNC driver who has driven at least the median number of rides during the past six months of all TNC drivers who have completed at least 20 rides in California.
- b) “Board” means the Public Employment Relations Board (PERB).
- c) “Certified driver bargaining organization” means an organization that PERB certifies has submitted authorizations from 30 percent of active TNC drivers or, if a representation election is held, has received a majority of the valid votes cast in that election by active TNC drivers, and that PERB has certified as the representative of all California TNC drivers for collective bargaining purposes.
- d) “Company union” means any committee, employee representation plan, or association of TNC drivers as specified that meets either of the following conditions:
  - i. A TNC has initiated or created the union, proposed its initiation or creation, participated in the formulation of its governing rules or policies, or participated in or supervised its management, operations, or elections.
  - ii. A TNC has maintained, financed, controlled, dominated, or assisted in maintaining or financing the union, unless required to do so by this bill’s provisions or any regulations implementing those provisions, whether by compensating anyone for services performed on its behalf or by donating free services, equipment, materials, office or meeting space, or anything else of value, or by any other means.

However, the bill clarifies that no one shall deem a TNC driver organization a “company union” solely because it engaged in specified activities, including:

- i. Negotiating or receiving the right to designate released-with-pay TNC drivers to provide TNC drivers labor-management representation.
- ii. Receiving permission from a TNC to meet with TNC drivers at the TNC’s premises.
- iii. Receiving voluntary TNC driver membership dues, as specified.

- iv. Receiving TNC funds for TNC drivers' benefits and services, as specified.
- e) "Multicompany committee" means a committee formed by multiple TNCs for purposes of bargaining pursuant to this act.
- f) "Secretary" means the Secretary of Labor and Workforce Development.
- g) "Transportation network company" or "TNC" is a person or company that falls under the definition set forth in subdivision (c) of Section 5431 of the Public Utilities Code. This bill's provisions cover a TNC only if it provides prearranged transportation services in the state and connects passengers with TNC drivers and only with respect to those TNC drivers.
- h) "Transportation network company driver" or "TNC driver" means any person who uses a personal vehicle in connection with a TNC's online-enabled application or platform to connect with passengers in the state pursuant to the TNC license of the TNC. However, this term does not include any individual who is a TNC employee, as specified.

**Drivers' Collective Bargaining Rights, PERB's Authority, and TNC's Obligations**

- 5) Provides that TNC drivers have the right to do the following:
  - a) Form, join, and participate in the activities of TNC driver organizations of their own choosing to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.
  - b) Refuse to join or participate in the activities of TNC driver organizations.
- 6) Forbids PERB from interpreting TNCDLRA to prohibit TNC drivers from exercising the right to confer with TNCs at any time, provided that during any conference there is no attempt by the TNC, directly or indirectly, to interfere with, restrain, or coerce workers in the exercise of the rights guaranteed by this section.
- 7) Requires PERB to enforce TNCDLRA and to apply its administrative and regulatory powers as provided in the Educational Employment Relations Act (EERA) to the extent they are not inconsistent with TNCDLRA's provisions.

- 8) Requires PERB to interpret and apply TNCDLRA's provisions in a manner that is consistent with PERB's administrative and judicial interpretations of PERB's governing statutes if a TNCDLRA provision is the same or substantially the same as that contained in PERB's governing statutes.
- 9) Authorizes PERB to adopt rules and regulations as necessary to implement TNCDLRA.
- 10) Deems that any references to "employee"/ "employees", "employee organization", exclusive representative", or "employer" in existing PERB-related statutory or regulatory law refers respectively to "transportation network company driver," "transportation network company driver organization," "certified driver bargaining organization," "transportation network company," as defined in TNCDLRA.
- 11) Requires TNCs to submit to PERB on January 1, 2026, and every three months thereafter, the name, driver's license number, and, to the extent known by the TNC, the most recent email address, local residence and mailing addresses, cellular telephone number, as well as the driver's first date joining the platform and the number of rides the driver completed in the previous six months for each TNC driver who has provided at least 20 rides within the State of California within the prior six months.
- 12) Requires each TNC to provide the above information within two weeks after the end of each calendar quarter, as follows: March 31, June 30, September 30, and December 31.
- 13) Requires each TNC to produce the list in a manipulable electronic format, such as a spreadsheet program consisting of cells organized by lettered columns and numbered rows with each data point in a separate cell, that allows users to sort and perform calculations and analysis.
- 14) Authorizes PERB to require that the TNCs provide the list in a specified software program.
- 15) Requires PERB to do the following until a TNC driver union has been certified as the certified drivers' bargaining organization:
  - a) Combine TNC-provided data within 14 days of its submission deadline.
  - b) Calculate the median number of rides provided by all TNC drivers.

- c) Prepare a list of all drivers who have completed the median number of rides or more in the past six months and deem any driver who completed the median number of rides an active TNC driver.
  - d) Ensure the list includes all information required from the TNCs.
  - e) Designate TNC or TNCs for which the driver has driven during the prior six months.
  - f) Ensure that PERB does not list drivers multiple times if they drive for multiple TNCs but only a single time with the relevant TNCs.
- 16) Does not relieve PERB of the responsibility to timely provide the list if individual TNCs fail to submit the required information.
- 17) Prohibits anyone from considering the list records as public records under any applicable California law.

**Certification and Decertification Procedures, Including Pre-certification Election Procedures**

- 18) Requires PERB to adhere to specified procedures to certify and decertify a TNC drivers' union as follows:
- a) Authorizes a TNC union, at any time, to present to PERB proof sufficient to show that at least 10 percent of active TNC drivers have authorized the union to act as their bargaining representative.
  - b) Requires PERB, with 30 days of a request, to make a determination as to whether at least 10 percent of active TNC drivers have authorized the union to act as the TNC drivers' bargaining representative.
  - c) Requires PERB to provide the TNC drivers' list to the union within 30 days of PERB's determination that the union is authorized to represent the drivers and quarterly thereafter, as specified.
  - d) Permits the union to use the list information only for authorized purposes.
  - e) Prohibits the union from providing the list information to any third party unless they are the union's agent and are using the information for authorized purposes.

- f) Shields a TNC from liability for any damages caused by the union's or PERB's failure to safeguard the list from a data or security breach.
- g) Requires each TNC to send a PERB-drafted notice, as specified, to their active TNC drivers that the union is seeking to represent them to initiate a bargaining process to establish terms and conditions for TNC drivers in the industry.
- h) Requires PERB's notice to be neutral as to whether TNC drivers should support a TNC union.
- i) Prohibits PERB from certifying without an election any other union for six months from its determination that ten percent of drivers have authorized a union as their bargaining representative.
- j) Permits a union at any time to submit proof to PERB that 30 percent of drivers have authorized the union to act as their bargaining representative and for PERB to make a determination that the union is the authorized representative.
- k) Requires PERB to certify the union within 30 days of the union's request for determination if PERB determines that 30 percent of drivers have authorized a union, except as follows:
  - i. The union has less than a majority, in which case PERB must wait 20 days before certification as specified.
  - ii. Another union or a driver provides evidence within those 20 days that the union has 30 percent of drivers that authorize it to represent them, or the driver has evidence that 30 percent of drivers desire not to be represented by a union, in which case PERB must hold a representation election among all active TNC drivers within 60 days.
    - a) Requires PERB to conduct the election, if required, using a remote electronic voting system that must allow both electronic voting from remote site personal computers via the internet and electronic voting from remote site telephones.
    - b) Prohibits PERB from using a system that includes voting machines used for casting votes at polling sites or electronic tabulation systems where votes are cast non-electronically but counted electronically, such as punch card voting or optical scanning systems.



- l) Requires PERB not to wait the 20 days nor hold an election before certifying the union if the union provides evidence that a majority of active TNC drivers have designated the union to act as their bargaining representative.
- m) Defines the type of proof a union may offer and PERB may accept for determining the union has the required authorized support as specified.

**Post-certification Election Procedures**

- 19) Permits a union at any time within one year of PERB's determination that the union is authorized to act as the bargaining representative to petition PERB to conduct a representation election.
- 20) Requires PERB to schedule a representation election upon receipt an election petition to take place within 60 days and to announce the election date on its internet website.
- 21) Defines the eligible voters for the election as those individuals who are on the list of active TNC drivers that PERB most recently issued, as specified.
- 22) Requires PERB to conduct the election, if required, using a remote electronic voting system that must allow both electronic voting from remote site personal computers via the internet and electronic voting from remote site telephones.
- 23) Prohibits PERB from using a system that includes voting machines used for casting votes at polling sites or electronic tabulation systems where votes are cast non-electronically but counted electronically, such as punch card voting or optical scanning systems.
- 24) Requires PERB to include any other union on the ballot if, within seven days of the election date announcement, that union submits evidence that it has been authorized to act as the bargaining representative by at least 10 percent of active TNC drivers.
- 25) Requires PERB to provide the companies, 30 days prior to the election, a notice that informs drivers of the election date, how to vote, and what the election's effect will be if the union receives a majority of valid votes cast.
- 26) Requires PERB to provide the notice in all languages it determines are likely spoken by 5 percent or more of TNC drivers.
- 27) Requires each company to send the notice - within seven days of PERB's provision of the notice - by email, by text, and through the method it ordinarily

uses to communicate with drivers, to all of the active TNC drivers who appear on the list of eligible voters provided by PERB.

- 28) Authorizes PERB to provide different versions of the notice that are appropriate for different means of communication.
- 29) Requires PERB to certify the union if it receives a majority of valid votes cast.
- 30) Requires a runoff election, as specified, when two or more unions are on the ballot and none receive a majority.

### **Exclusive Representation**

- 31) Grants the union certified by PERB authority to represent all TNC bargaining unit drivers without challenge by another union for one year following certification and during the time that a collective bargaining agreement is in effect.
- 32) The exclusive period shall not be longer than three years following the date of the collective bargaining agreement approval, except during a 30-day window period that shall begin 90 days before, and end 60 days before, the collective bargaining agreement expires.
- 33) Permits TNC drivers during the times when the certified union is subject to challenge to file for a decertification election upon a showing that at least 30 percent of active TNC drivers support decertification, as specified.

### **One Statewide Bargaining Unit for All**

- 34) Declares that for TNCDLRA's purposes the only appropriate bargaining unit of TNC drivers is a statewide unit of all TNC drivers.

### **The Union's Rights and Duties**

- 35) Grants the certified union the right to represent all TNC drivers with respect to collective bargaining rights provided by TNCDLRA.
- 36) Denies any other TNC union the right to engage in bargaining with the TNCs concerning TNC drivers' earnings, benefits, and terms and conditions.
- 37) Requires the certified union to represent each TNC driver fairly, without discrimination, and without regard to whether the TNC driver is the union's member.

- 38) Entitles the union to receive the list of drivers and related information provided by the companies to PERB, and to use the list's information for the sole purpose of representing TNC drivers as specified.

**Union Dues/Deductions**

- 39) Grants the certified union a right to voluntary membership dues deduction upon presentation of dues deduction authorizations signed by individual TNC drivers, as specified.
- 40) Requires companies to begin making deductions as soon as practicable, but no later than 30 days after receiving proof of a signed dues deduction authorization.
- 41) Requires companies to submit dues to the union within 30 days of the deduction.
- 42) Requires the union's dues deduction rights to remain in full force and effect until an individual revokes authorization for deductions in writing in accordance with the terms of the signed authorization.

**PERB Notification to Drivers of Unions Representation and Drivers' Rights**

- 43) Requires PERB to develop and promulgate a notice describing the union's representation and the drivers' rights, as specified, within 30 days after certifying the union.
- 44) Requires the companies to send the notice to all designated drivers within 30 days of PERB's developing the notice.
- 45) Requires companies to send the PERB-developed notice at least once per month thereafter to designated drivers.
- 46) Permits a company to petition PERB for exemption from the requirement to send the notice to its drivers if it would impose an undue cost upon the company.

**Mandate on Companies to Bargain with the Union**

- 47) Requires PERB to notify all TNC companies once it determines and certifies the union.
- 48) Requires all TNC companies to bargain with the certified union concerning earnings, benefits, and other terms and conditions of work, including deactivations.

- 49) Authorizes the union or covered companies to request to begin negotiations after PERB notifies the covered companies that the union is the certified bargaining organization for the TNC drivers' bargaining unit.

**Good Faith Bargaining Requirement**

- 50) Requires the companies, the union, and their respective agents to negotiate in good faith.
- 51) Defines "to negotiate in good faith" to mean the performance of the companies and the union's mutual obligation to meet at reasonable times and negotiate in good faith with respect to subjects within the scope of bargaining and to execute a written contract incorporating any agreement reached if requested by either party.
- 52) Provides that the mutual obligation to negotiate in good faith does not compel either party to agree to a proposal or require the making of a concession.

**Collective Bargaining Agreement (CBA) Ratification**

- 53) Requires drivers to ratify the CBA pursuant to the unions' procedures if the union and the companies reach a recommended CBA.
- 54) Requires the parties, after ratification, to submit the recommended CBA to the Secretary of Labor and Workforce Development for review and approval or disapproval.
- 55) Requires the union and the companies to resume bargaining if the drivers do not ratify the recommended agreement.

**First Contract Negotiation – Mediation**

- 56) Allows, prior to the parties' first CBA, the companies or the union to petition PERB at any time following 210 days after an initial request to bargain, for an order referring the parties to mediation.
- 57) Allows the parties to jointly file a petition requesting referral to mediation at any time after the commencement of bargaining.
- 58) Requires PERB to promptly refer the parties to mediation upon receipt of their mediation petition.
- 59) Requires PERB to submit to the parties, within seven days of receiving the petition, a list of qualified, disinterested persons to serve as the mediator if the parties have not already agreed upon a mediator.

- 60) Requires the companies' and the union's respective representatives to alternately strike from the list one of the names.
- 61) Requires the parties to determine the order of striking by lot until one name remains and to designate the remaining person as the mediator.
- 62) Requires PERB to appoint the mediator if the parties are unable to select the mediator within 15 days following receipt of the list from PERB because a party refuses to strike names.
- 63) Creates a duty on the parties to participate in good faith in mediation.
- 64) Requires the two parties to share equally the cost of the mediator.
- 65) Authorizes PERB to apportion costs based on market share if the covered TNCs cannot agree to apportion costs among themselves.
- 66) Requires the drivers to ratify any recommended CBA reached through mediation in the same manner as one reached directly between the parties.
- 67) Makes communications and documents exchanged pursuant to mediation inadmissible in any official, regulatory, or judicial proceeding, consistent with Section 1115 et seq. of the Evidence Code.

**First Contract Negotiation – Arbitration**

- 68) Requires the parties, within 30 days after referral to mediation, to select a prospective arbitrator to resolve the dispute if mediation is unsuccessful and provides a similar process to selecting an arbitrator as that for selecting a mediator.
- 69) Requires the two parties to share equally the cost of the mediator and grants PERB authority to apportion costs based on market share if the covered TNCs cannot agree to apportion costs among themselves.
- 70) Permits either party to petition PERB to refer the dispute to arbitration if the mediator is unable to achieve agreement between the parties within 60 days after PERB has appointed a mediator.
- 71) Permits the parties to also jointly petition PERB to refer the dispute to arbitration any time after the commencement of bargaining.
- 72) Requires PERB to refer the dispute to the arbitrator upon petition by the parties.

- 73) Requires the arbitrator to hold hearings on all matters related to the dispute and sets forth the procedure for arbitration, as specified.
- 74) Provides the parties 15 days to agree to modify the recommended agreement before it is submitted to the Secretary of Labor and Workforce Development for review and approval or disapproval.
- 75) Requires PERB to submit the recommended agreement to the Secretary of Labor and Workforce Development for review and approval or disapproval after 15 days have lapsed since receipt by the parties of the recommended agreement.

**Bargaining Subsequent to Initial Contract**

- 76) Requires all subsequent negotiations for all subsequent agreements to begin at least 180 days before the current CBA expires.
- 77) Allows the parties at any time after 180 days after the commencement of negotiations to petition PERB to refer the parties to mediation.
- 78) Provides that the timelines and procedures for mediation and arbitration for subsequent CBAs generally follow those of the initial contract except as specified.
- 79) Requires a CBA's terms to remain in effect, including, but not limited to, any grievance and arbitration provisions and any provisions governing the deduction and transmittal of membership dues, until the Secretary of Labor and Workforce Development approves a new CBA.

**Binding Application of CBAs on TNC Industry**

- 80) Makes any CBA decision approved by covered companies constituting at least 80 percent of the industry, as specified, binding on all covered companies.

**TNC Employer Unfair Labor Practices**

- 81) Makes the following unfair labor practices by the employer:
  - a) Failing or refusing to provide PERB the list containing the drivers' information or any other required information, or knowingly providing an inaccurate list or inaccurate information.
  - b) Failing or refusing to negotiate in good faith with a certified union.

- c) Failing or refusing to provide a certified union with information required by the union that is relevant and necessary in discharging its representational duties or in exercising its right to represent TNC drivers regarding terms and conditions of work within the scope of representation.
- d) Dominating or interfering with the formation, existence, or administration of any TNC driver union, or contributing financial or other support to any such organization, whether directly or indirectly, unless required by this act, by any regulations implementing this act, or as a result of a CBA approved by the state, including, but not limited to, by doing any of the following:
  - i. Participating or assisting in, supervising, or controlling the initiation or creation of any such organization or the meetings, management, operation, elections, or formulation or amendment of the organization's constitution, rules, or policies.
  - ii. Offering incentives to TNC drivers to join any such organization.
  - iii. Donating free services, equipment, materials, offices, meeting space, or anything else of value for use by any such organization, unless those items have been negotiated as a benefit or service for TNC drivers in a bargaining agreement approved by the state. However, a TNC may permit TNC drivers to perform representational work protected under this act during working hours without loss of time or may allow agents of a certified driver union to meet with drivers on its premises or communicate with TNC drivers using the TNC's platform.
  - iv. Requiring a TNC driver to join any company union or TNC driver organization or requiring a TNC driver to refrain from forming, joining, or assisting a TNC driver organization of their choice.
  - v. Discouraging membership in any company union or in any TNC driver organization by discriminating with regard to any term or condition of work.
  - vi. Discharging, deactivating, or otherwise discriminating with regard to the ability of a TNC driver to obtain rides, or otherwise discriminating against a TNC driver, because they have signed or filed any affidavit, petition, or complaint under this chapter, have given any information or testimony under this chapter, have participated or declined to participate in a TNC driver organization, or have exercised any rights under this chapter.

- vii. Distributing or circulating any blacklist of individuals exercising any right created or confirmed by this chapter or of members of a TNC driver organization, or informing any person of the exercise by any individual of that right or of the membership of any individual of a TNC driver organization for the purpose of preventing those blacklisted or named individuals from obtaining or retaining opportunities for remuneration.
- viii. Interfering with, restraining, or coercing TNC drivers in the exercise of collective bargaining rights as specified.

**TNC Driver Union Unfair Labor Practices**

82) Makes the following unfair labor practices by the TNC Driver Union:

- a) Restraining or coercing either of the following:
  - i. TNC drivers in the exercise of collective bargaining rights as specified, except that this prohibition shall not impair the union's right to prescribe its own rules with respect to the acquisition or retention of union membership.
  - ii. A TNC or multicompany committee in its selection of representatives for purposes of bargaining or the adjustment of grievances.
- b) Causing or attempting to cause a TNC employer to commit a prescribed unfair labor practice.
- c) Failing or refusing to negotiate in good faith with a TNC employer, as specified.
- d) Failing or refusing to provide information requested by a TNC employer that is relevant and necessary for purposes of bargaining regarding terms and conditions of work within the scope of representation, as specified.
- e) Failing or refusing to fulfill its duty of fair representation toward TNC drivers where it is the certified union by acts or omissions that are arbitrary, discriminatory, or in bad faith.

**Application of PERB's Regulations on Unfair Labor Practices**

83) Requires PERB to apply its administrative rules on unfair labor practice procedures, as specified, except to the extent that it has adopted procedures specific to this act.



**Injunctive Relief**

- 84) Authorizes a party filing an unfair labor practice charge to petition PERB to seek injunctive relief on behalf of the charging party, pending a PERB decision on the merits of the charge.
- 85) Allows PERB to petition the appropriate superior court for that relief, as specified.

**Exemption from Public Disclosure**

- 86) Exempts TNC drivers' information submitted to PERB from specified public disclosure laws and prohibits public officials from disclosing the information except as provided by other state or federal law.
- 87) Does not prohibit the disclosure of the information to public agency officials when necessary for the performance of their official duties.
- 88) Makes legislative findings and declarations that the bill's limitation on the public's right of access to the meetings of public bodies or the writings of public officials is necessary to strike a balance between disclosing relevant information to the public while protecting the privacy interests of individual TNC drivers subject to the act.

**COMMENTS:**

- 1) *Purpose of the bill.* According to the author, "AB 1340 provides rideshare drivers—also known as Transportation Network Company or TNC drivers—with the choice to organize, join a union and collectively negotiate for better wages, benefits, and protections. It has the potential to give more Californians the right to unionize than any other legislation in recent state history. All work has dignity. All workers, regardless of how their labor is classified under the law, deserve to have a right to organize and raise their collective voice. Through that voice, they can advocate collectively—for better wages, fairer working conditions, for greater financial certainty and stability. With AB 1340, power will be in the hands of hundreds of thousands of Californians to raise the bar in the rideshare industry and create a model for an equitable and innovative partnership in the tech sector."
- 2) *Background on TNCs.* TNCs are commonly referred to as rideshare or ride-hail companies. One of the distinguishing factors of a TNC, compared to other types of transportation services like taxis or chartered vehicles, is the use of personal

vehicles and web-based applications to connect riders to drivers. California has over 600,000 gig rideshare drivers across the state; however, according to San Francisco County Transportation Authority's 2020 report titled *TNCs 2020: A Profile of Ride-Hailing in California*, "TNC trips are highly concentrated in a few urban areas. Nearly two-thirds of TNC trips are in San Francisco, Los Angeles, and San Diego counties. Within these counties, trips are most highly concentrated in just a few areas: San Francisco's downtown core, Los Angeles' Westside, and at the San Diego airport, respectively."<sup>3</sup> TNC drivers are designated as independent contractors because of the provisions of voter-approved Proposition 22 in 2020, which cemented the independent contractor status of TNC drivers in state law after case law (Dynamex) and state legislation (AB 5) designated those workers as TNC employees. As employees, the drivers would have had the right to organize and force the TNCs to bargain with their representatives under federal law, described below. However, as independent contractors, the state is presumably free to enact legislation to provide the drivers their labor rights under state law.

- 3) *Federal collective bargaining limitations on independent contractors.* Anti-trust laws attempt to prevent collusion of market participants in order to ensure free, competitive markets. Those laws, intended to check corporate power during the Industrial Revolution, later targeted workers engaged in collective action against their employers to better their working conditions. Responding to worker discontent and the economic tensions in the early 20th century, Congress exempted certain collective bargaining actions from the anti-trust prohibitions and established a federal regime through the NLRA for regulating collective bargaining in the private sector. Congress excluded some workers from this regime, including public-sector employees, agricultural and domestic workers, independent contractors, workers employed by a parent or spouse, employees of air and rail carriers covered by the Railway Labor Act, and supervisors.

Since the NLRA excludes independent contractors from its provisions, normal federal preemption doctrines restricting state regulation of private sector labor relations do not apply here. Thus, the state can enact legislation to provide the drivers their labor rights under state law. This situation is most similar to the Legislature's action in establishing the Agricultural Labor Relations Act to provide collective bargaining rights to agricultural workers, whom the NLRA also excludes from its coverage. The Legislature enacted that bill in the 1970s and it still holds today.

---

<sup>3</sup> [https://www.sfcta.org/sites/default/files/2023-04/SFCTA\\_Board\\_TNCs%202020%20Report\\_2023-04-25.pdf](https://www.sfcta.org/sites/default/files/2023-04/SFCTA_Board_TNCs%202020%20Report_2023-04-25.pdf)

- 4) *Dynamex Decision and AB 5*. The Legislature enacted AB 5 (Gonzalez, Chapter 296, Statutes of 2019) to codify a California Supreme Court case (*Dynamex Operations West v. Superior Court*) setting forth the standards to determine whether a worker is an employee or an independent contractor. Since the NLRA guarantees employees' collective bargaining rights and because employers incur greater costs associated with employees than independent contractors (e.g., payroll contributions such as Social Security and Medicare, potential health benefit contributions, etc.), employers have a strong economic incentive to misclassify employees as independent contractors. AB 5 sought to address misclassification abuse by categorizing most workers as employees but provided exclusions for specified workers.<sup>4</sup> AB 5 initially classified TNC drivers as employees, which would have brought them under the NLRA's provisions and would have guaranteed them the right to organize and collectively bargain with TNCs like Uber and Lyft.
- 5) *Proposition 22 and subsequent litigation*. In response to AB 5's enactment, the Protect App-Based Drivers and Services Coalition, together with Uber and Door Dash officials, Davis White and Keith Yandell, placed Proposition 22 on the November 2020 General Election ballot. The initiative classified TNC drivers as independent contractors; provided certain compensation and benefits to drivers; and made it difficult for the Legislature to reverse that classification by requiring a 7/8 vote of each house to make changes to Proposition 22's provisions. The proposition's supporters argued, among other things, that AB 5 threatened the viability of TNC services and that Proposition 22 was a better method of providing increased pay and benefits to TNC drivers. The voters passed the initiative, thereby once again making TNC drivers independent contractors.

After Proposition 22 passed, Hector Castellanos, an Uber driver and leader of the California Gig Workers Union, filed a lawsuit along with other plaintiffs arguing, among other things, that Proposition 22 was unconstitutional because it conflicted with the Legislature's constitutional power to provide a comprehensive workers' compensation system.<sup>5</sup> The case went to the California Supreme Court, which upheld Proposition 22's system of classifying TNC drivers as independent contractors and providing specified compensation increases and benefits to qualifying TNC drivers. The court cited the great weight it must give to laws enacted when the people express their voice through

---

<sup>4</sup> See, California Senate Floor Analysis of AB 5 (Gonzalez, Chapter 296, Statutes of 2019), [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB5](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB5)

<sup>5</sup> *The fate of the anti-worker Proposition 22 goes to California Supreme Court*, July 10, 2023, SEIU Local 1021 website article, <https://www.seiu1021.org/article/fate-anti-worker-proposition-22-goes-california-supreme-court>

the initiative process, rejected arguments that the Legislature held exclusive power to modify the workers' compensation system, and harmonized Proposition 22's provisions with the Legislature's constitutional power to implement a comprehensive workers' compensation system to avoid a constitutional conflict.<sup>6</sup> However, the court found that the provision stating that any legislation authorizing collective bargaining for the drivers was an amendment, and therefore required a 7/8th vote of the legislature, was unconstitutional and severed it from the law.

- 6) *This bill seeks to give TNC workers the right to organize.* This bill would give independent contractor TNC drivers collective bargaining rights under state law where federal law does not. The bill outlines a highly detailed election process, which includes numerous pre- and post-certification election procedures. It details the responsibilities and authority of PERB, as well as the obligations of the TNCs. It prescribes the vote threshold for drivers to choose to organize and the vote threshold for drivers to choose which organization will be authorized to act as their bargaining representative. The bill requires TNCs to provide PERB, and eventually the drivers' bargaining organization, a substantial amount of information about the drivers, such as an updated list of all TNC drivers in the state, together with driver's license numbers, cellphone numbers, addresses, and recent email addresses, as well as the driver's first date joining the platform and the number of rides the driver completed in the previous six months. Lastly, this bill requires TNCs to negotiate in good faith, and details the procedures for mediation and arbitration.
- 7) *The Public Employment Relations Board.* PERB is a quasi-judicial administrative agency charged with administering the collective bargaining statutes covering employees of California's public schools, colleges, and universities, employees of the State of California, employees of California local public agencies (cities, counties and special districts), trial court employees, trial court interpreters, supervisory employees of the Los Angeles County Metropolitan Transportation Authority, Judicial Council employees, Orange County Transportation Authority employees, Bay Area Rapid Transit District (BART) employees, Sacramento Regional Transit District employees, Santa Cruz Metropolitan Transit District employees, Santa Clara Valley Transportation Authority employees, and child care providers who participate in a state-funded early care and education program. PERB's primary mission is

---

<sup>6</sup> The court demurred to deciding the issue absent a case where a legislative statute directly implicated the conflict between Proposition 22's requirement that the Legislature can only amend the proposition's provisions with a 7/8 vote of both chambers and the Legislature's power to establish a comprehensive workers' compensation program. *Castellanos v. State of California*, 89 Cal. App. 5th 131, 2023.

resolving public sector labor relations. This bill expands PERB's authority to include TNC labor relations.

- 8) *Support*. Writing in support, SEIU California states, “[s]ince independent contractors are excluded from coverage under the National Labor Relations Act, AB 1340 provides the needed state legislation and authorization for rideshare drivers to exercise the right to organize and collectively bargain that other workers enjoy under federal labor law. AB 1340 ensures that drivers can exercise this right without the fear of antitrust liability. AB 1340 is historic in that it would empower more than 800,000 workers to have a voice on the job, giving more workers the right to unionize than any other legislation in recent California history. Not since the California Agricultural Labor Relations Act of 1975 extended the right to organize and collectively bargain to farmworkers has our state extended the right to unionize to workers at this scale. Driving for Uber, Lyft, and other transportation network companies is the primary source of income for many drivers, with full-time rideshare drivers providing 49% of all passenger trips.”
- 9) *Opposition*. Writing in opposition, Uber Technologies, INC. states, “AB 1340 proposes several changes that are in direct conflict with Proposition 22, which was passed overwhelmingly by California voters in 2020 with nearly 60% of the vote, and was recently upheld by the California Supreme Court in *Castellanos vs State of California* in 2024. That decision reaffirmed voters' intent to protect driver independence — a model drivers overwhelmingly support. If passed as written, AB 1340 would fundamentally alter the way platforms such as Uber operate. By targeting a single segment of the broader gig economy, AB 1340 risks destabilizing a service Californians rely on every day. It will drive up costs in a state already struggling with affordability, disproportionately hurt low-income communities, and ultimately reduce driver earnings as demand falls.”
- 10) *Double referral*. This bill was approved by the Senate Labor, Public Employment and Retirement Committee by a 4-1 vote on June 25, 2025.

## **RELATED/PREVIOUS LEGISLATION:**

**AB 371 (Cabaldon, 2025)** – Clarifies that existing under and uninsured motorist insurance requirements for transportation network companies (TNCs) may be met through a policy maintained by the TNC, unless a participating driver voluntarily chooses to carry the policy. This bill also requires the California Public Utilities Commission (CPUC) to submit specified information about TNC insurance claims

as part of the CPUC's next annual report to the Legislature. *This bill is currently in the Assembly Insurance Committee.*

**AB 283 (Haney, 2025)** – Would establish the In-Home Supportive Services (IHSS) Employer-Employee Relations Act to shift collective bargaining with IHSS providers from the county or public authority to the state and would also provide PERB jurisdiction of labor relations between the state and IHSS workers. *This is currently pending before the Senate Judiciary Committee.*

**AB 672 (Caloza, 2025)** – Would grant PERB the right, upon timely application, to intervene in a civil action arising from a labor dispute involving public employee strike actions that PERB claims implicates the constitutionality, interpretation, or enforcement of a statute administered by PERB. *This bill is currently pending before the Senate Judiciary Committee.*

**SCA 7 (Umberg, 2023)** – Would have established a broad-based constitutional right for any person in California to form or join a union and for that union to represent the person in collective bargaining with the person's respective employer. *This measure died in the Senate Elections and Constitutional Amendments Committee.*

**Proposition 22, *The Protect App-Based Drivers and Services Act*, November 3, 2020, General Election, codified as Cal. Bus. & Prof. Code § 7448-7467 (West 2020)** – Provided that, notwithstanding any other provision of law, including, but not limited to, the Labor Code, the Unemployment Insurance Code, and any orders, regulations, or opinions of the Department of Industrial Relations or any board, division, or commission within the Department of Industrial Relations, an app-based driver is an independent contractor and not an employee or agent with respect to the app-based driver's relationship with a network company if they meet specified conditions.

**AB 5 (Gonzalez, Chapter 296, Statutes of 2019)** – Codified the decision of the California Supreme Court in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) that presumes a worker is an employee unless a hiring entity satisfies a three-factor test, and exempts from the test certain professions and business-to-business relationships.

**AB 378 (Limón, Chapter 385, Statutes of 2019)** – Established the Building a Better Early Care and Education System Act to provide licensed and unlicensed childcare providers the right to form a single, statewide childcare provider organization to negotiate collectively with the state and also required PERB to regulate those collective bargaining rights, as specified.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, July 2, 2025.)

**SUPPORT:**

American Federation of State, County and Municipal Employees, Afl-cio  
California Federation of Labor Unions, Afl-cio  
California Immigrant Policy Center  
California School Employees Association  
California State Council of Service Employees International Union (seiu California)  
Coalition of California Welfare Rights Organizations  
End Poverty in California (EPIC)  
Grace Institute - End Child Poverty in CA  
Southern Christian Leadership Conference Southern California  
The Translatin@ Coalition  
Western Center on Law & Poverty, INC.

Rideshare Drivers United (support if amended)

**OPPOSITION:**

California Black Chamber of Commerce  
California Chamber of Commerce  
California Hispanic Chambers of Commerce  
California Pacific Asian Chamber of Commerce (calasian Chamber)  
California Taxpayers Association (CALTAX)  
Central City Association of Los Angeles  
Chamber of Progress  
Consumer Choice Center  
Crime Survivors Resource Center  
Family Business Association of California  
Gateway Chambers Alliance  
Hispanic Chambers of Commerce of San Francisco  
Latino Restaurant Association  
Long Beach Area Chamber of Commerce  
Long Beach Chamber of Commerce  
Los Angeles County Business Federation (BIZFED)  
Lyft, INC.

National Action Network - Sacramento Chapter  
National Action Network Western Region  
National Diversity Coalition  
Orange County Business Council  
Protect App-based Drivers & Services Coalition  
San Diego Regional Chamber of Commerce  
Technet  
Uber Technologies, INC.

**-- END --**