
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT
Senator Lola Smallwood-Cuevas, Chair
2025 - 2026 Regular

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SUBJECT: Transportation network company drivers: labor relations

KEY ISSUE

This bill would establish the Transportation Network Company (TNC) Drivers Labor Relations Act to require bargaining for a sectoral agreement between TNCs and TNC Driver organizations. The bill would require the Public Employment Relations Board (PERB) to administer its provisions.

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))¹
- 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-

¹ 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. 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).”

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)²
- 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))

² 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.

- 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 (“the Act”) 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 bargaining rights for transportation network drivers and states intent that the state action antitrust exemption apply to TNC drivers and their representatives.
- 3) Declares state policy to establish various notice requirements, conditions, and timelines governing the representation of TNC drivers; to require TNCs and certified unions to negotiate in good faith; and to set forth procedures for mediation and arbitration for purposes of reaching a bargaining agreement.
- 4) Establishes a robust system to authorize negotiations between TNC drivers and TNCs, while accommodating Proposition 22, the “Protect App-Based Drivers and Services Act,” which California voters approved in November 2020.
- 5) Declares that for both logistical and policy reasons, the Act establishes a threshold for eligibility to participate in the selection of a union representative so the choice can be made by those drivers who have more than a casual or short-term relationship with the industry and, therefore, have a more significant interest in making that choice.

Definition of Terms

- 6) Defines the following terms:
 - a. “Active TNC driver” means a TNC driver who has driven at least the minimum number of rides (20 completed rides within the prior six months) with a covered TNC’s platform in the State of California, as determined by PERB.
 - b. “Board” means the Public Employment Relations Board (PERB).
 - c. “Certified driver bargaining organization” means an organization PERB has certified as the representative of all California TNC drivers for bargaining purposes.
 - d. “Company union” means any committee, worker 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:

- (a) Negotiating or receiving the right to designate released-with-pay TNC drivers to provide TNC drivers labor-management representation.
 - (b) Receiving permission from a TNC to meet with TNC drivers at the TNC’s premises.
 - (c) Receiving voluntary TNC driver membership dues, as specified.
 - (d) Receiving TNC funds for the administration of TNC drivers’ benefits and services, as specified.
- e. “Covered TNC” means a TNC that is a covered TNC based on ride-share volume calculation, as specified, whereby TNCs that collectively form on a quarterly basis 95 percent of the rideshare market, are covered TNCs.
 - f. “Multicompany committee” means a committee formed by multiple TNCs for purposes of bargaining pursuant to this Act.
 - g. “Scope of representation” has the same meaning as set forth in a later provision which defines the term to mean TNC driver earnings, benefits, and other terms and conditions of work, including deactivations, which shall be mandatory subjects of bargaining.
 - h. “Sectoral agreement” means an agreement between covered TNCs and the certified driver union that meets the Act’s requirements and that applies to all covered TNCs, as specified.
 - i. “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.
 - j. “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.
 - k. “Transportation network company driver organization” or “TNC driver organization” means an organization that has all of the following characteristics:
 - i. The organization has engaged in advocacy for drivers who transport passengers in California, or is affiliated with an organization that has engaged in advocacy for drivers who transport passengers in California, for a minimum of five years.
 - ii. The organization has experience, or is affiliated with an organization that has experience, in negotiating collective bargaining agreements and representing workers under those agreements, including the representation of workers in filing unfair labor practice charges and in grievance proceedings.
 - iii. The organization has as one of its main purposes the representation of workers in their labor relations.
 - iv. The organization’s bylaws or other internal governing documents will give TNC drivers the right to be members of the organization and to participate in the democratic control of the organization if the bargaining unit chooses to be represented by the organization.
 - v. The organization is not sponsored by, dominated by, or controlled by a transportation network company.
 - vi. The organization is not a company union.

Drivers' Bargaining Rights, PERB's Authority, and TNCs' Obligations

- 7) Provides that TNC drivers have the right to form, join, and participate in the activities of TNC driver organizations, to bargain through representatives of their own choosing, to engage in concerted activities for the purpose of bargaining or other mutual aid or protection, and to refrain from such activities.
- 8) Forbids PERB from interpreting the Act 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 Act.
- 9) Requires PERB to apply its administrative and regulatory powers as provided in the Educational Employment Relations Act (EERA) to the enforcement of the Act.
- 10) Authorizes PERB to adopt rules and regulations as necessary to implement the Act.
- 11) Permits PERB to construe, where necessary and consistent with the purpose of the Act, any provision of EERA or related PERB statutes or regulations referring to "employee" or "employees"; "employee organization"; exclusive representative"; or "employer"; respectively to "transportation network company driver"; "transportation network company driver organization"; "certified driver bargaining organization"; or "transportation network company" as defined in the Act.
- 12) Requires each TNC to electronically submit to PERB, as specified, quarterly application rideshare data totals, in addition to TNC driver lists as required by the Act, within two weeks after the end of each calendar quarter, commencing on January 1, 2026, and at the completion of every three months thereafter.
- 13) Requires PERB to total all rides reported by the TNCs within 14 days after the TNCs' deadline to report the data and rank the rideshare volume data, as specified, to identify TNCs whose rides collectively equal or exceed 95 percent of the statewide total for the preceding quarter. These TNCs shall be deemed "covered TNCs" for purposes of this Act.
- 14) Requires PERB to publish the list of covered and noncovered TNCs and rideshare volume information on its internet website and notify each TNC as to whether the TNC is a covered TNC.
- 15) Requires PERB to promptly issue an unfair practice complaint against a TNC that willfully fails to submit the required list and petition a court to compel the TNC to produce the list.
- 16) Authorizes PERB to assess a civil penalty, pursuant to a weighted scale, on a non-compliant TNC in addition to any other remedy provided by law plus PERB's related attorney fees and costs. The penalty shall be payable to the General Fund and shall not exceed \$10,000 per day for each day after the deadline that the TNC fails to provide the list.
- 17) Authorizes PERB to provide a list of covered and noncovered TNCs, as specified, notwithstanding a TNC's failure to submit the required list.

- 18) Requires each covered TNC to submit within two weeks after the end of each calendar quarter, commencing with the quarter ending on March 31, 2026, 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 TNC driver's first date joining the platform and the number of rides the TNC driver completed in the previous six months for each TNC driver who has completed at least 20 rides within the State of California within the prior six months.
- 19) Requires each TNC to produce the required 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.
- 20) Authorizes PERB to require that the TNCs provide the list in a specified software program.
- 21) Requires PERB to do the following until a TNC driver union has been certified as the certified drivers' bargaining organization:
- Combine the data provided by covered TNCs within 14 days of its submission deadline.
 - Calculate the median number of rides provided by all covered TNC drivers.
 - Prepare a list of all TNC 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.
 - Ensure the list includes all information required from the covered TNCs.
 - Designate the covered TNC or covered TNCs for which the TNC driver has driven during the prior six months.
 - Ensure that PERB does not list TNC drivers multiple times if they drive for multiple covered TNCs but only a single time with the relevant covered TNCs.
- 22) Does not relieve PERB of the responsibility to timely provide the list if an individual covered TNC fails to submit the required information.
- 23) Prohibits anyone from considering the list records as public records under any applicable law.

PERB's Union Determination, Certification, Decertification, and Pre-certification Election Procedures

- 24) Requires PERB to do the following to determine if an entity is a TNC driver organization:
- Designate a 10-day period to occur on or after January 1, 2026, and every three months thereafter, during which an entity must apply for designation as a TNC driver organization or to have its designation renewed.
 - Determine, through the PERB general counsel, if an entity is a TNC driver organization upon application by that entity. The general counsel shall issue that determination within 10 days of receiving the application.
 - The PERB general counsel shall state the reasons for a determination that an entity is not a TNC driver organization and the applicant may appeal the adverse determination to PERB within 30 days of the general counsel's determination.

- d. PERB's determination that an entity is a TNC driver organization remains valid for two years unless PERB determines that the entity no longer meets the definition of a TNC driver organization.
- e. PERB shall presume that the certified union continues to meet the definition of a TNC driver organization without the need to apply for renewal of that determination every two years.

25) 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 after May 1, 2026, 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 determine 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, and quarterly thereafter on the last day of the quarter, of PERB's determination that the union presented sufficient proof it represents at least 10 percent of the active TNC drivers.
- 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 covered 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 covered TNC to send a PERB-drafted notice, as specified, to its TNC drivers who were on the most recent list submitted by that TNC to PERB 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 advise TNC drivers of the threshold for status as an active driver eligible to execute a proof of support.
- i. Requires PERB's notice to be neutral as to whether TNC drivers should support a TNC union.
- j. Prohibits PERB from certifying without an election any other union for six months from PERB's determination that ten percent of active TNC drivers have authorized a union as their bargaining representative.
- k. Permits a union at any time after May 1, 2026, to submit sufficient proof to PERB that 30 percent of TNC 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.
- l. Requires PERB to certify the union within 30 days of the union's request for determination if PERB determines that the union presented sufficient proof that it represents 30 percent of TNC drivers, except as follows:
 - i. The union has less than a majority, in which case PERB must wait 30 days before certification, as specified.
 - ii. An alternative TNC union provides evidence within those 30 days that the alternative union has 30 percent of TNC drivers that authorize it to represent them, or a TNC driver provides evidence that 30 percent of TNC 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. In either case, the bill:
 - (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 personal or cellular 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.
 - m. Requires PERB not to wait the 30 days nor hold an election before certifying the union if the original TNC union provides evidence that a majority of active TNC drivers have designated the union to act as their bargaining representative.
 - n. Defines the type of proof of support a union may offer and PERB may accept for determining the union has the required authorized support, as specified.

Procedures for Elections Post-Union Certification

- 26) 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.
- 27) Requires PERB to schedule a representation election upon receipt of an election petition to take place within 45 days and to announce the election date on its internet website.
- 28) 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.
- 29) 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 personal or cellular telephones.
- 30) 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.
- 31) 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.
- 32) Requires PERB to provide the companies, 30 days prior to the election, a notice that informs TNC drivers of the election date, how to vote, and what the election's effect will be if the TNC union receives a majority of valid votes cast.
- 33) Requires PERB to provide the notice in all languages it determines are likely spoken by 5 percent or more of TNC drivers.
- 34) Requires each covered TNC 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 TNC drivers who appeared on the most recent list submitted to PERB, as specified.
- 35) Requires PERB's notice to advise TNC drivers of the threshold for status as an active driver eligible to cast a vote.

- 36) Authorizes PERB to provide different versions of the notice that are appropriate for different means of communication.
- 37) Requires PERB to certify the union if it receives a majority of valid votes cast.
- 38) Requires a runoff election between the two choices receiving the highest number of votes cast and second highest number of votes cast when two or more TNC unions are on the ballot and none receive a majority.
- 39) Requires the runoff election be held within 30 days of PERB's determination that no union received a majority of valid votes cast. Requires PERB to provide notice of the runoff election per the regular election notice requirements.
- 40) Provides that the same TNC drivers who were eligible to vote in the original election shall be the TNC drivers eligible to vote in the runoff election.
- 41) Requires PERB to certify the TNC union receiving a majority of the valid votes cast as the certified union of all TNC drivers in the bargaining unit.
- 42) Provides that PERB may not certify any TNC union as the certified union if none receive a majority of valid votes cast.

Exclusive Representation

- 43) 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 bargaining agreement is in effect.
- 44) The exclusive period shall not be longer than three years following the date of the bargaining agreement approval, except during a 30-day window period that shall begin 90 days before, and end 60 days before, the bargaining agreement expires.
- 45) 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.
- 46) Requires PERB to schedule an election within 30 days to determine the TNC union's status as the certified union. The TNC union shall retain its status as the certified union if it receives a majority of valid votes cast by active TNC drivers.

One Statewide Bargaining Unit for All

- 47) Declares that for the Act's purposes the only appropriate bargaining unit of TNC drivers is a statewide unit of all TNC drivers who drive for covered TNCs.

The Union's Rights and Duties

- 48) Grants the certified union the right to represent all TNC drivers with respect to bargaining rights provided by the Act.

- 49) Denies any other TNC union the right to engage in bargaining with the TNCs concerning matters within the scope of representation.
- 50) Requires the certified union to represent each TNC driver fairly with respect to matters within the scope of representation, without discrimination, and without regard to whether the TNC driver is the union's member.
- 51) 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.
- 52) Permits the covered TNCs and the certified TNC union, by mutual agreement, to change the specification of the data that must be included on the list. Requires that the specification of the data to be included shall be within the scope of bargaining.
- 53) Prohibits any other TNC driver organization from receiving the list.
- 54) Requires the certified TNC union to certify to PERB's satisfaction that it has implemented sufficient data security protection procedures in compliance with applicable data privacy laws, strictly limiting the use of data to what is permitted under this Act, and establishing clear protocols for data breach notifications.
- 55) Shields a covered TNC from liability from damages caused by a data or security breach by the TNC union or PERB.

Union Dues/Deductions

- 56) Grants the certified union a right to voluntary membership dues deduction upon presentation of dues deduction authorizations signed by individual TNC drivers, as specified.
- 57) Requires covered TNCs to begin making deductions as soon as practicable, but no later than 30 days after receiving proof of a signed dues deduction authorization.
- 58) Requires companies to submit dues to the union within 30 days of the deduction. 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 Union's Representation and Drivers' Rights

- 59) 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.
- 60) Requires covered TNCs to send the notice to all designated drivers within 30 days of PERB developing the notice.
- 61) Requires covered TNCs to send the PERB-developed notice at least once per month thereafter to designated TNC drivers.

- 62) Permits a covered TNC to petition PERB for exemption from the requirement to send the notice to its drivers if it would impose an undue cost upon the covered TNC.
- 63) Requires each covered TNC to provide newly activated TNC drivers a notice, via electronic communication on its digital network, that they are represented by the certified driver union upon the TNC driver's activation and that, if the driver performs 20 or more rides during a six-month period, their contact information will be provided to the certified driver union on the next quarterly list. The notice shall be in a form approved by the certified driver union and shall provide contact information for the certified driver union.
- 64) Requires a covered TNC confirm whether an individual has completed rides through the TNC's platform within five days of receiving a request from the certified driver union.

Mandate on Companies to Bargain with the Union, Scope of Representation, Sectoral Agreement

- 65) Requires PERB to notify all covered TNC companies once it determines and certifies the union.
- 66) Requires all covered TNC companies to bargain with the certified union concerning matters within the scope of representation.
- 67) Defines "scope of representation" to mean TNC driver earnings, benefits, and other terms and conditions of work, including deactivations, which shall be mandatory subjects of bargaining.
- 68) Provides that each individual covered TNC shall retain exclusive control over the development, maintenance, design, pricing, and implementation of its product and product features, software, contract terms, algorithm, and operations and areas of service.
- 69) Requires a sectoral agreement to address, at minimum, the following subjects, each of which must be set forth separately in the sectoral agreement, unless a subject is expressly waived by mutual agreement of the certified union and the covered TNCs:
- a. Appeals process for deactivations.
 - b. Representation of TNC drivers in deactivation appeals.
 - c. Paid leave.
 - d. Information disclosed to TNC drivers about trips on per-trip, weekly, and monthly earnings receipts and summaries, and on initial ride offers.
 - e. Grievance and arbitration procedures to resolve disputes arising under the sectoral agreement.
 - f. Grievance and arbitration procedures to resolve disputes about whether a TNC driver has received the mandatory compensation or benefits required by Chapter 10.5 (commencing with Section 7448).
 - g. Safety mandates imposed by the covered TNCs that require TNC drivers to purchase safety equipment or purchase safety software, and safety features or protocols proposed by the certified union that have a demonstrable purpose of reducing the risk of physical assault or injury to TNC drivers. For the purposes of this paragraph, "purchase" includes an automatic withdrawal from TNC driver earnings.
 - h. Labor-TNC partnerships.
 - i. Reasonable access by the certified union to covered TNC driver communication systems.

- j. Deduction of voluntary fees and dues from payments to TNC drivers.
 - k. Contributions or fees for a separate fund for the administration of benefits and services to TNC drivers including for TNC driver representation in deactivation appeals and other related activities.
 - l. Duration of the sectoral agreement, which shall be between three and five years.
- 70) Permits a sectoral agreement, including an agreement recommended by an arbitrator, to address subjects beyond the required subjects, including provisions for earnings and benefits above the minimums guaranteed to TNC drivers. The parties shall address these additional subjects in separate provisions of the sectoral agreement and are subject to nonbinding recommendations, as specified
- 71) Prohibits a sectoral agreement, including an agreement recommended by an arbitrator, from containing a provision that does any of the following:
- a. Reduces the minimum guarantees provided to TNC drivers.
 - b. Restrains TNC drivers' flexibility to choose protected work opportunities.
 - c. Alters or purports to alter the legal status of TNC drivers as independent contractors, as specified.
 - d. Prevents an individual covered TNC from exercising its autonomy.
- 72) 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

- 73) Requires all covered TNCs, their agents or representatives, and the TNC union, to negotiate in good faith to reach a sectoral agreement that will apply to all covered TNCs.
- 74) Authorizes covered TNCs to form a multicompany committee for purposes of collective bargaining.
- 75) Permits the certified TNC union to require all covered TNCs to bargain within the certified TNC union together if covered TNCs do not form a multicompany committee, and prohibits an individual covered TNC from objecting to such a requirement to bargain in concert with other covered TNCs.
- 76) Requires covered TNCs to approve a sectoral agreement that includes at least 80 percent of the industry measured by rideshare volume on the most recent quarterly report filed with PERB and that includes at least the two largest covered TNCs.
- 77) Defines "to negotiate in good faith" to mean the performance of the covered TNCs' and the union's mutual obligation to meet at reasonable times and negotiate in good faith with respect to subjects within the scope of representation and to execute a written contract incorporating any agreement reached if requested by either party.
- 78) 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.

Sectoral Agreement Ratification

- 79) Requires drivers to ratify the recommended sectoral agreement pursuant to the union's procedures if the union and the covered TNCs reach a recommended sectoral agreement.
- 80) Requires the parties, after ratification, to submit the recommended sectoral agreement to PERB for review and approval or disapproval.
- 81) Requires the union and the TNCs to resume bargaining if the drivers do not ratify the recommended agreement.

First Contract Negotiation – Mediation

- 82) Allows, prior to the parties' first sectoral agreement, the TNCs 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.
- 83) Allows the parties to jointly file a petition requesting referral to mediation at any time after the commencement of bargaining.
- 84) Requires PERB to promptly refer the parties to mediation upon receipt of their mediation petition.
- 85) Requires PERB to obtain from the California State Mediation and Conciliation Service (CSMCS) a list of nine qualified, disinterested mediators who have experience in labor mediation and submit to the parties, if the parties have not already agreed upon a mediator.
- 86) Requires the TNCs' and the union's respective representatives to alternately strike from the list one of the names.
- 87) Requires the parties to determine the order of striking by lot until one name remains and to designate the remaining person as the mediator.
- 88) Requires PERB to appoint the mediator from the list provided by CSMCS 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.
- 89) Creates a duty on the parties to participate in good faith in mediation.
- 90) Requires the drivers to ratify any recommended sectoral agreement reached through mediation in the same manner as one reached directly between the parties.
- 91) Makes communications and documents exchanged pursuant to mediation inadmissible in any official, regulatory, or judicial proceeding, consistent with Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code.

First Contract Negotiation – Arbitration

- 92) Requires the parties, within 30 days after referral to mediation, to select a prospective arbitrator to resolve the dispute if mediation is unsuccessful.

- 93) Requires the covered TNCs and the certified union to each propose three arbitrators to PERB which will also propose three arbitrators from the American Arbitration Association roster who have at least 10 years of experience conducting labor arbitrations in California, have interest arbitration experience, and are members of the National Academy of Arbitrators.
- 94) Requires the certified union and the covered TNCs to select an arbitrator within seven days of receipt of the combined list from PERB.
- 95) Allows the parties to mutually select an arbitrator who is not on the list.
- 96) Requires, if the parties cannot agree on an arbitrator, each side to alternatively strike from the list one of the names until an arbitrator is chosen by process of elimination.
- 97) Requires PERB to determine by lot which side shall strike first.
- 98) Requires PERB to appoint the arbitrator from the original list it proposed by if either side refuses to propose arbitrators for the list or to participate in selecting an arbitrator within 15 days following receipt of the list from PERB.
- 99) Permits either party to petition PERB to refer the dispute to arbitration if the mediator is unable to achieve agreement between the parties within 75 days after PERB has appointed a mediator or within 60 days after the first meeting of the parties with the mediator, whichever occurs first.
- 100) Permits the parties to also jointly petition PERB to refer the dispute to arbitration any time after the commencement of bargaining.
- 101) Requires PERB to refer the dispute to the arbitrator upon petition by the parties.
- 102) Requires the arbitrator to hold hearings on all matters related to the dispute and sets forth the procedure for arbitration, as specified.
- 103) Requires the TNCs and the certified union to each be responsible for 50 percent of the cost of the arbitrator or mediator.
- 104) Authorizes PERB to apportion costs among TNCs based on market share if the TNCs cannot agree to apportion costs among themselves.
- 105) Requires the arbitrator's recommended sectoral agreement to contain the parties' mutually agreed terms, binding recommendations that the parties have not waived, and nonbinding recommendations on all other matters submitted for dispute resolution within the scope of representation.
- 106) Provides the covered TNCs 10 days after receipt of the recommended sectoral agreement to notify the certified union as to whether the covered TNCs accept the recommended sectoral agreement in its entirety, including the nonbinding recommendations.
- 107) The parties shall submit the recommended sectoral agreement to PERB for review and approval or disapproval if the covered TNCs accept the agreement in its entirety.

- 108) Allows the certified union and the covered TNCs to also mutually agree to modify the recommended sectoral agreement and submit a modified sectoral agreement, in whole, to PERB for review and approval or disapproval within 15 days after receiving the agreement.
- 109) Allows the certified union to submit within 20 days of receiving the recommended sectoral agreement, the proposed agreement without the nonbinding recommendations to PERB for review and approval if, within 10 days of receiving the recommended sectoral agreement, the covered TNCs have not accepted it, and within 15 days of receiving it the parties have not agreed upon a modified sectoral agreement.
- 110) Imposes on the parties a duty to continue to bargain in good faith to reach agreement on the subjects addressed by the nonbinding recommendations notwithstanding the submission of the modified sectoral agreement for approval, or the approval of the modified sectoral agreement.
 - a. Imposes on the parties a duty to continue to bargain in good faith over the items in dispute to reach agreement on a new sectoral agreement for submission to PERB if the certified union does not elect to submit a proposed sectoral agreement to PERB.
 - b. Authorizes the parties at any time, to mutually submit a new proposed sectoral agreement to PERB for review and approval or disapproval, and such an agreement may include modifications to any of the terms of the binding recommendations.
- 111) Permits the parties to mutually agree to extend the time periods for purposes of reaching a sectoral agreement, as specified.
- 112) Deems any decision or action by the covered TNCs, for purposes of reaching a sectoral agreement, to mean a decision or action approved by covered TNCs that includes at least 80 percent of the industry measured by rideshare volume on the most recent quarterly report filed with PERB and that includes at least the two largest covered TNCs.

Sectoral Agreements Subsequent to Initial Contract

- 113) Requires all subsequent negotiations for all subsequent agreements to begin at least 180 days before the current sectoral agreement expires.
- 114) Allows the parties to, at any time after 180 days after the commencement of negotiations, petition PERB to refer the parties to mediation.
- 115) Provides that the timelines and procedures for mediation and arbitration for subsequent sectoral agreements generally follow those of the initial agreement except as specified.
- 116) Requires a sectoral agreement'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 PERB approves a new agreement.

Binding Application of Sectoral Agreement on TNC Industry

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

- 118) Requires a TNC that was not a covered TNC when a sectoral agreement took effect but whose rideshare volume in a later quarter brings it within the 95-percent threshold to become a covered TNC, and be bound by all terms of the sectoral agreement immediately, unless exempted as specified. Such a TNC shall remain a covered TNC for the remaining term of the sectoral agreement.

Preliminary Injunction, Final Court Order, or Other Legal or Regulatory Order Exempting a TNC from a Sectoral Agreement; Rescinded Sectoral Agreements, and Emergency Negotiations

- 119) Provides that an otherwise covered TNC shall not be bound by any provision of the sectoral agreement if the TNC obtains a preliminary injunction, final court order, or other legal or regulatory order that exempts the TNC from the enjoined provision, pending final resolution of the litigation, or the resolution of emergency negotiations as provided below, whichever is earlier. However, all other provisions of the agreement shall continue to apply to all covered TNCs.
- 120) Requires PERB, within three business days of receiving notice of such injunction or order, to convene the certified union and all covered TNCs for emergency negotiations aimed solely at revising the provision or provisions deemed unlawful as applied to the objecting TNC.
- 121) Provides that emergency negotiations shall neither reopen nor impair any agreement terms not directly related to the provision or provisions held unlawful.
- 122) Requires any agreement reached through emergency negotiations to be approved by covered TNCs that include at least 80 percent of the industry measured by rideshare volume on the most recent quarterly report filed with PERB and include at least the two largest covered TNCs, unless the 80-percent requirement is itself adjudged unlawful as to any covered TNC, in which case the revised provision shall require the unanimous agreement of all covered TNCs.
- 123) Requires PERB to review and approve or disapprove any agreement resulting from emergency negotiations within 14 calendar days after the end of emergency negotiations.
- 124) Allows either the certified union or any nonobjecting TNC to rescind the sectoral agreement if emergency negotiations do not produce an approved agreement by the necessary parties for submission to PERB within 30 days by notifying PERB within 10 days of the expiration of the 30-day period.
- 125) Imposes on the certified union and all covered TNCs a duty to bargain in good faith for a new sectoral agreement upon rescission of the sectoral agreement.
- 126) Provides that the sectoral agreement shall remain in effect, except for any provision or provisions deemed unlawful as applied to the objecting TNC, if neither the certified union nor any nonobjecting TNC rescinds the agreement.
- 127) Authorizes the certified union and any covered TNC or group of covered TNCs to enter into an agreement, as specified, that shall be effective until PERB approves a new sectoral agreement.

- 128) Requires the parties to submit a rescinded sectoral agreement to PERB for approval or disapproval but upon approval by PERB, such an agreement shall only be effective as to the TNCs that have approved the agreement.

Noncovered TNC's Choice to be Covered by Sectoral Agreement

- 129) Permits, when a sectoral agreement is in effect, any TNC that is not a covered TNC to choose to become bound to the sectoral agreement by providing written notice to PERB, the certified union, and the covered TNCs.
- 130) Requires a TNC that chooses to become bound to a sectoral agreement to be bound for the remaining term of the agreement.
- 131) Provides that a noncovered TNC that elects to become bound to the agreement shall not, on account of its exercise of the option, become a covered TNC for purposes of negotiation of subsequent sectoral agreements or coverage by subsequent sectoral agreements.
- 132) Makes it unlawful for any TNC that is not a covered TNC nor voluntarily bound by the terms of the sectoral agreement to make any statement, advertisement, or imply in any official communication that such TNC is bound by the terms of the sectoral agreement.
- 133) Requires the certified union to represent the TNC drivers who drive for the noncovered TNC during the time that a noncovered TNC is bound by the terms of the sectoral agreement.
- 134) Requires the noncovered TNC to have the same obligations as a covered TNC to provide information to PERB necessary to administer this bill's provisions and to provide information to the certified union necessary for representation of the TNC drivers.

PERB Approval or Disapproval of Sectoral Agreement

- 135) Requires the parties who have approved a sectoral agreement, or agreed to one recommended by an arbitrator, to submit the agreement to PERB for approval or disapproval.
- 136) Requires the PERB general counsel to review the proposed agreement to determine whether the agreement does the following:
- a. Addresses mandatory subjects that the parties did not mutually waive.
 - b. Does not contain any prohibited terms.
 - c. Advances the Act's stated public policy goals.
 - d. Will not have anticompetitive effects on the industry beyond those contemplated by the Act.
 - e. Was the product of fair, arm's-length negotiation or arbitration under the Act's procedures.
- 137) Grants the PERB general counsel the right to gather and consider any necessary additional evidence, including by requesting additional information from the certified union and the covered TNC, to review the proposed agreement.
- 138) Requires the PERB general counsel to issue a recommended determination as to whether PERB should approve or disapprove the agreement. If the general counsel recommends that

PERB disapprove the agreement, the general counsel shall provide reasons for the disapproval and identify any provisions that the general counsel determined were not consistent with specified standards. If the general counsel recommends approval of the agreement, the general counsel shall provide a written opinion identifying the reasons for the approval. Absent good cause, the general counsel shall issue the determination within 60 days of receipt of the recommended agreement.

- 139) Requires the PERB general counsel to serve the recommendation on PERB and the parties to the agreement. Within 21 days of the general counsel's recommendation, PERB shall issue a final order that approves or disapproves the agreement.
- 140) Requires the certified union and covered TNCs to bargain in good faith to reach agreement on a revised sectoral agreement for submission to PERB if a final order PERB disapproves of the proposed sectoral agreement.
- 141) Allows either of the parties, if an arbitrator recommended the proposed sectoral agreement or the parties modified the agreement after an arbitrator recommended it, to request that PERB remand the matter to the arbitrator for resolution of any disputes and the issuance of a revised agreement for submission to PERB. Requires the parties to submit a revised agreement to PERB for review.
- 142) Requires, if the agreement includes binding terms recommended by an arbitrator and not mutually accepted by the parties, the PERB general counsel to recommend disapproval of the proposed agreement if a party demonstrates that corruption, fraud, or other undue means procured the arbitrator's recommendations, there was corruption by the arbitrator, the arbitrator's misconduct substantially prejudiced the rights of the party, or the arbitrator's recommendation was arbitrary or capricious in light of the record.
- 143) Requires the PERB general counsel, absent good cause, to issue the determination within 60 days of receipt of the recommended agreement.
- 144) Requires the PERB general counsel to serve the recommendation on PERB and the parties to the agreement.
- 145) Requires PERB to issue a final order that approves or disapproves the agreement within 21 days of the general counsel's recommendation.
- 146) Requires the parties to bargain in good faith to reach agreement on a sectoral agreement for submission to PERB if a final PERB order disapproves a proposed agreement.
- 147) Allows either side to request that PERB conduct a new process to select a new arbitrator and refer the parties to arbitration.
- 148) Requires the agreement to be final and binding on the parties and the covered TNC drivers upon approval of a sectoral agreement by PERB's final order.
- 149) Mandates that the terms of the agreement become enforceable commitments for each covered TNC to implement with respect to TNC drivers.

- 150) Requires each covered TNC to adhere to the terms as minimum standards for all TNC drivers using its platform in the state for the duration of the agreement.
- 151) Requires the sectoral agreement shall prevail for covered matters in the event of any conflict between an approved sectoral agreement and a term of service or contract between an individual TNC driver and a covered TNC, except that nothing in the sectoral agreement shall reduce rights or benefits already secured by law or individual contract.
- 152) Permits the parties by mutual agreement to reopen, amend, or modify the agreement during the term of a sectoral agreement. Requires the parties to submit any such amendments or modifications to PERB for approval or disapproval and provide that they shall become effective only upon PERB's approval.
- 153) For purposes of this section, any decision or action by the covered TNCs means a decision or action approved by covered TNCs that includes at least 80 percent of the industry measured by rideshare volume on the most recent quarterly report filed with PERB and that includes at least the two largest covered TNCs.

Unfair Practices by a TNC, TNC Agent, or Multicompany Committee

- 154) Makes the following conduct by a TNC, its agent, or a multicompany committee an unfair practice:
- 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 or other law, by any regulations implementing this act or other law, or as a result of a sectoral agreement approved by PERB, 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 the parties have negotiated those items as a benefit or service for TNC drivers in a sectoral agreement approved by the PERB. However, a covered 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 covered TNC's platform.

- e. 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.
- f. Encouraging or discouraging membership in any company union or in any TNC driver organization by discriminating with regard to any term or condition of work.
- g. 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 Act, have given any information or testimony under this Act, have participated or declined to participate in a TNC driver organization, or have exercised any rights under this Act.
- h. Distributing or circulating any blacklist of individuals exercising any right created or confirmed by this Act 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.
- i. Interfering with, restraining, or coercing TNC drivers in the exercise of their rights under this Act.

Unfair Practices by TNC Driver Union

155) Makes the following conduct by a TNC driver organization or its agents an unfair practice:

- a. Restraining or coercing either of the following:
 - i. TNC drivers in the exercise of their rights under the Act, except that this prohibition shall not impair a TNC driver organization's or a certified union's right to prescribe its own rules with respect to the acquisition or retention of membership or with respect to TNC drivers' financial contributions to a TNC driver organization or a certified union.
 - ii. A covered 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 practice.
- c. Failing or refusing to negotiate in good faith with a covered TNC employer, as specified.
- d. Failing or refusing to provide information requested by a covered TNC or its representative 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 by acts or omissions that are arbitrary, discriminatory, or in bad faith.

Application of PERB's Regulations on Unfair Practices

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

Injunctive Relief

157) Authorizes a party filing an unfair 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.

158) Allows PERB to petition the appropriate superior court for that relief, as specified.

Exemption from Bagley-Keene Open Meeting Act

- 159) Exempts any meeting of a mediator or arbitrator with any party or group or both parties or groups to the negotiations process and the mediation and arbitration processes set forth in the Act from the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

Severability Clause

- 160) Declares the provisions of this Act are severable and makes necessary findings thereto.

PERB Authority for Emergency Regulations

- 161) Authorizes PERB to adopt, amend, or repeal all rules and regulations necessary to carry out the Act as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and makes necessary finding thereto.

Exemption from Public Disclosure

- 162) 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.
- 163) Does not prohibit the disclosure of the information to public agency officials when necessary for the performance of their official duties.
- 164) 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. Summary of September 2, 2025, Amendments**

Recent amendments establish criteria and procedures to determine covered TNCs and TNC driver organizations for purposes of bargaining for a sectoral agreement to apply to all TNCs, as specified. They also define bargaining procedures and dispute resolution procedures. The amendments principally do the following:

- Define criteria for qualifying as a covered TNC and a TNC union under the Act.
- Define the scope of representation for bargaining under the Act.
- Detail required data TNCs must submit to the PERB.
- Define notices TNCs must provide to individual TNC drivers regarding union representation.
- Define mandatory subjects, and authorize permissive subjects, of bargaining.
- Clarify bargaining process and dispute resolution processes through mediation and arbitration.

- Provide procedures if court orders enjoin the sectoral agreement.
- Set out PERB's general counsel and board's obligations and timelines to review and approve or disapprove sectoral agreement.
- Exempt parties in mediation or arbitration from the Bagley-Keene Open Meeting Act.
- Add a severability clause.
- Provide PERB authority to adopt regulations as emergency regulations.

2. Need for this bill?

According to the author:

“AB 1340 provides a statutory path for rideshare drivers to organize and have a voice on the job. Because of the 2021[sic] gig industry-backed ballot measure Prop 22, rideshare drivers are considered independent contractors under California law and do not have access to worker protections such as workers' compensation, sick leave or overtime. Furthermore, as independent contractors, rideshare drivers are not covered by the National Labor Relations Act (ACT), and therefore, have no right to organize or collectively bargain with rideshare companies under federal law. Drivers do not have the ability to negotiate their routes, their wages, or their benefits. Yet they must take on all of the expenses of fuel and maintaining their vehicles, in addition to any costs that may arise from getting into roadside accidents. California's more than 800,000 gig rideshare drivers deserve the right to have a seat at the table and bargain for better pay, meaningful benefits, job security, as well as safety measures for themselves and their passengers.”

3. Proponent Arguments

According to the Service Employees International Union, California:

“Since 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.”

4. Opponent Arguments:

According to Rideshare Drivers United:

“We are not aware of any precedent in state or federal law where private-sector workers have been forced into a representational relationship without being granted the basic right to decide for themselves whether, and how, to unionize. These amendments break from the most fundamental principles of labor rights...”

California has a historic opportunity to lead the nation by creating a genuine framework for gig workers to win fair pay and collective bargaining rights. But if AB 1340 moves forward in its current form, it will do the opposite: locking workers out of decision-making, legitimizing company-controlled representation, and entrenching the very corporate power it claims to challenge.”

Additionally, according to a coalition of organizations representing community and business leaders, including the National Action Network and the Bay Area Council:

“In addition to undermining voter-approved Proposition 221, AB 1340 is opposed by the vast majority of app-based drivers. This bill is costly, undemocratic and dangerous. AB 1340 would negatively impact the millions of Californians who earn necessary income with app-based rideshare work as it:

- Threatens drivers’ personal information and privacy. AB 1340 mandates companies share sensitive personal information of all “active” drivers – *including names, driver’s licenses, home addresses, phone numbers* - with outside third-parties. This could subject drivers to unwanted calls, texts and even home visits. This is a dangerous violation of driver privacy.
- Allows a small minority to dictate decisions for all. Under AB 1340, a union only needs signatures from 10% of “active” California drivers to access the private information of all drivers in the state. If a union gathers signatures from 30% of California drivers, it is automatically appointed to represent 100% of drivers. This would occur without a vote, and the union can begin collecting hundreds of dollars in dues. AB 1340 is blatantly undemocratic, and this provision directly contradicts the bill’s purported intent.
- Threatens the independence drivers overwhelmingly prefer and need. Surveys consistently confirm the vast majority of drivers choose app-based work because of the flexibility it provides, as most drive on a part-time, supplemental basis. AB 1340 threatens the independence of app-based rideshare work and the flexibility that drivers need.
- Jeopardizes rideshare work for hundreds of thousands of Californians. Drivers are earning an average of \$37 per hour (including tips and bonuses) under Prop 22. By threatening independent app-based models, the bill puts the earnings of hundreds of thousands of Californians at risk at the worst possible time.
- Disadvantages consumers, threatening the availability and affordability of rideshare. AB 1340 could lead to increased prices and reduced rideshare service availability, especially for disadvantaged and under-resourced communities.”

5. Prior / Related Legislation:

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 bill is currently pending on the Senate Floor.*

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 was ordered to the Senate Inactive File at the request of the author.*

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.

SUPPORT

Service Employees International Union, California (Sponsor)
Alliance of Californians for Community Empowerment
American Federation of State, County and Municipal Employees
Asian Pacific Environmental Network
Bay Rising Action
California Coalition for Worker Power
California Domestic Workers Coalition
California Federation of Labor Unions
California Immigrant Policy Center
California LULAC State Organization
California School Employees Association
California Working Families Party
Chinese Progressive Association
Chispa, a Project of Tides Advocacy
Coalition of California Welfare Rights Organizations
County of Alameda Supervisor Nikki Fortunato Bas
County of Sonoma Supervisor Lynda Hopkins

Courage California
East Bay Alliance for a Sustainable Economy
End Poverty in California
Grace Institute - End Child Poverty in CA
Innecity Struggle
Jobs With Justice San Francisco
Koreatown Immigrant Workers Alliance
Los Angeles Alliance for a New Economy
National Day Laborer Organizing Network
National Union of Healthcare Workers
North Bay Jobs With Justice
Parent Voices Oakland
Power CA Action
San Francisco Senior and Disability Action
Sonoma County Conservation Action
Southern Christian Leadership Conference Southern California
St. John's Community Health
The TransLatin@ Coalition
Trabajadores Unidos Workers United
United Teachers Los Angeles
Western Center on Law & Poverty, INC.

OPPOSITION

Bay Area Council
California Asian Pacific Chamber of Commerce
California Black Chamber of Commerce & Foundation
California Chamber of Commerce
California Hispanic Chambers of Commerce
California Pacific Asian Chamber of Commerce
California Taxpayers Association
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
National Action Network - Sacramento Chapter
National Action Network Western Region
National Diversity Coalition
Orange County Business Council
Protect App-based Drivers & Services Coalition
Rideshare Drivers United
San Diego Regional Chamber of Commerce

TechNet

-- END --