

CONCURRENCE IN SENATE AMENDMENTS

AB 1340 (Wicks and Berman)

As Amended September 2, 2025

Majority vote

SUMMARY

Establishes the Transportation Network Company Drivers Labor Relations Act (act) which provides that Transportation Network Company (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, and to engage in concerted activities for the purpose of bargaining or other mutual aid or protection. Provides that the Public Employment Relations Board (PERB) shall administer the act, including overseeing a driver organization election process, sectoral bargaining, and the determination of unfair practices.

Senate Amendments

- 1) Make clarifying and technical changes.

Definitions

- 2) Amend the definition of "active TNC driver" to mean a driver who has driven at least the minimum number of rides during the past six months with a covered TNC platform in California as determined by PERB.
- 3) Define "sectoral agreement" to mean an agreement between covered TNCs and the certified driver organization that meets specified requirements and that, if approved by PERB, will apply to all covered TNCs.
- 4) Define "transportation network company driver organization" to mean an organization that has specified characteristics, including having engaged in advocacy for drivers, having experience or being affiliated with an organization that has experience in negotiating collective bargaining agreements, and is an organization not sponsored by, dominated, or controlled by a TNC.

A Sectoral Agreement

- 5) Require a sectoral agreement submitted to PERB for approval to address, at a minimum, with limited exception, subjects such as an appeals process for deactivations, representation of TNC drivers in deactivation appeals, paid leave, safety mandates, as specified, grievance and arbitration procedures, and deduction of voluntary fees and dues.
- 6) Prohibit a sectoral agreement, including an agreement recommended by an arbitrator, from containing a provision that does the following:
 - a) Reduces the minimum guarantees provided to TNC drivers.
 - b) Restrains TNC drivers' flexibility to choose work opportunities.
 - c) Alters or purports to alter the legal status of TNC drivers as independent contractors.
 - d) Prevents an individual covered TNC from exercising its autonomy, as specified.

Bargaining

- 7) Define "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.
- 8) State that TNCs, their agents or representatives, and the certified driver bargaining organization have an obligation to negotiate in good faith, as defined.
- 9) Provide a process for a recommended agreement reached between the parties to be ratified and submitted to PERB for review and approval or disapproval.
- 10) Permit, either by joint request at any time after the commencement of bargaining or if there has been no prior sectoral agreement under this chapter, covered TNCs or the certified driver bargaining organization to file with PERB, at any time following 210 days after an initial request to bargain, a petition requesting that PERB issue an order referring the parties to mediation of their issues.
- 11) Provide a process, for when the parties have not agreed upon a mediator, to have the parties strike names from a list provided by the State Mediation and Conciliation Service (CSMCS) of qualified and disinterested persons to serve as the mediator until one name remains. The remaining person shall be designated as the mediator.
- 12) Provide a process for the parties, within 30 days after a dispute has been referred to mediation, to select a prospective arbitrator to resolve the dispute if mediation is unsuccessful.
- 13) Authorize, if the mediator is unable to achieve agreement between the parties concerning an appropriate resolution within 75 days after PERB has appointed a mediator, either party to petition PERB to refer the dispute for resolution through arbitration.
- 14) Require, within 105 days of the arbitrator's appointment, unless the parties agree to an extension, the arbitrator to make a just and reasonable determination of the matters in dispute, taking into consideration specified factors, and to issue a recommended sectoral agreement that resolves all disputed issues.
- 15) Require the recommended sectoral agreement to include the following:
 - a) Terms on which the parties have mutually agreed.
 - b) Binding recommendations on all minimum subjects set forth in 5) above that have not been waived.
 - c) Nonbinding recommendations on all other matters submitted for dispute resolution within the scope of representation.
- 16) Provide that the covered TNCs shall have 10 days to notify the certified driver bargaining organization as to whether the covered TNCs accept the recommended sectoral agreement in its entirety, including the nonbinding recommendations. If the covered TNCs accept the recommended sectoral agreement in its entirety, the recommended sectoral agreement shall be submitted to PERB for review and approval or disapproval.

- 17) Authorize, if, within 10 days of receiving the recommended sectoral agreement, the covered TNCs have not accepted the agreement, and within 15 days of receiving the sectoral agreement the parties have not agreed upon a modified sectoral agreement, the certified driver bargaining organization to, within 20 days of receiving the recommended sectoral agreement, submit the proposed sectoral agreement without the nonbinding recommendations to PERB for review and approval.
- 18) Authorize a certified driver bargaining organization and the covered TNCs to, at any time, 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.
- 19) State that a decision or an action by covered TNCs means a decision or action approved by covered TNCs that includes at least 80% 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.
- 20) Provide a process for a TNC to become a "covered TNC" by virtue of its' rideshare volume in a later quarter bringing it within the 95% threshold and therefore be bound by all terms of the sectoral agreement immediately, unless exempted or in litigation over the scope of such coverage. Emergency negotiations may be commenced if a provision of the agreement is deemed unlawful.
- 21) Require, during the time that a noncovered TNC is bound by the terms of the sectoral agreement, the certified driver bargaining organization to represent the TNC drivers who drive for the noncovered TNC.

PERB's approval of the agreement

- 22) Require, after a sectoral agreement has been approved by the parties or recommended by an arbitrator, the agreement to be submitted to PERB for approval or disapproval. The general counsel of PERB shall review the proposed agreement to determine a number of things, including but not limited to, whether:
 - a) The agreement addresses the mandatory subjects provided in 5) above that were not mutually waived.
 - b) The agreement does not contain any of the prohibited terms as described in 6) above.
 - c) The agreement will not have anticompetitive effects on the industry beyond those contemplated by this act.
- 23) Require the general counsel to issue a recommended determination as to whether the agreement should be approved or disapproved. If the general counsel recommends that the agreement be disapproved, the general counsel shall provide reasons for the disapproval, as specified. If the general counsel recommends approval of the agreement, the general counsel shall provide a written opinion identifying the reasons for the approval.

- 24) Require the general counsel's recommendation to be served 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.
- 25) Provide a process for the parties to bargain to reach an agreement on a revised sectoral agreement if a final order of PERB disapproves of the proposed sectoral agreement. A revised agreement shall be submitted to PERB for review pursuant to this section.
- 26) Require the general counsel to recommend disapproval of a proposed agreement if an arbitrator's recommendations were procured under certain circumstances, including, but not limited to, corruption, fraud, and other undue means.
- 27) Require, if a final order of PERB disapproves a proposed agreement pursuant to 26) above, the parties to bargain in good faith to reach agreement on a sectoral agreement for submission to PERB.
- 28) Require, upon approval of a sectoral agreement by the final order of PERB, the agreement to be final and binding on the certified driver bargaining organization and the TNC drivers it represents and on all covered TNCs. 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, the sectoral agreement shall prevail for covered matters, except that nothing in the sectoral agreement shall reduce rights or benefits already secured by law or individual contract.
- 29) Permit, during the term of a sectoral agreement, the agreement to be reopened, amended, or modified by mutual agreement of the certified driver bargaining organization and the covered TNCs. Any such amendments or modifications must be submitted to PERB for approval or disapproval and shall become effective only upon approval of PERB.
- 30) Require all negotiations for all subsequent agreements to begin at least 180 days before the current agreement expires. The terms of a bargaining agreement shall 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 a new agreement is approved by PERB.
- 31) Require any decision to be binding on all covered TNCs if approved by covered TNCs that include at least 80 percent of the industry, as measured by rideshare volume on the most recent quarterly report filed with PERB, and that include at least the two largest covered TNCs.

Unfair practices

- 32) Provide that certain practices by a TNC, agent for a TNC, or a multicompany committee, such as failing or refusing to negotiate in good faith with a certified driver bargaining organization or dominating or interfering with the formation, existence, or administration of any TNC driver organization, constitute unfair practices.
- 33) Provide that certain practices by a TNC driver organization or its agents, such as failing or refusing to fulfill its duty of fair representation toward TNC drivers where it is the certified

driver bargaining organization by acts or omissions that are arbitrary, discriminatory, or in bad faith, constitute unfair practices.

- 34) Provide that PERB's unfair practice procedures apply to 32) and 33) above, except to the extent that PERB has adopted procedures specific to this act.
- 35) Authorize a party filing an unfair practice charge to petition PERB to seek injunctive relief on behalf of the charging party, pending a decision on the merits of the charge by PERB. PERB may also petition the appropriate superior court for that relief, as specified.

Miscellaneous

- 36) Require, commencing January 1, 2026, and at the completion of every three months thereafter, each TNC to electronically submit to PERB a single statewide total of rides performed during the prior quarter by TNC drivers. Through a specified process, PERB shall identify the TNCs whose rides constitute 95% of the total for the preceding quarter and deem them the "covered TNCs."
- a) A TNC that willfully fails to submit the list shall be charged with an unfair practice and may be subject to a civil penalty.
- 37) Provide that the election notice shall include an advisement to TNC drivers of the threshold for status as an active driver eligible to cast a vote.
- 38) Add a severability clause.

COMMENTS

See the Policy Committee Analysis.

According to the Author

According to the author, "All work has dignity, and every worker deserves a voice — especially in these uncertain times. AB 1340 empowers drivers with the choice to join a union and negotiate for better wages, benefits, and protections. When workers stand together, they are one of the most powerful forces for justice in California.

With this legislation, California is putting power in the hands of hundreds of thousands of workers to raise the bar in their industry and create a model for an equitable and innovative partnership in the tech sector. This is only right, as gig drivers are literally driving this part of our economy. With the strength of a union, workers can build a fair and sustainable rideshare economy that works for everyone."

Arguments in Support

SEIU California, sponsor of the bill, states, "Driving for Uber and Lyft is precarious work in that rideshare drivers face uncertainty and instability in their incomes, and corporations that profit from their work give them little recourse to challenge suspensions or deactivations. A survey led by Asian Americans Advancing Justice – Asian Law Caucus found that two-thirds of all surveyed drivers have experienced deactivation, with drivers of color and immigrant drivers facing higher deactivation rates than white drivers. Drivers report receiving minimal information

regarding the reasons for their deactivation and are often provided with limited opportunities to contest the decision or reinstate their source of income.

A national poll has shown that 70% of Americans, regardless of party, are supportive of rideshare drivers having greater workplace rights and protections. The same poll found that 65% of Americans believe a union for rideshare drivers provides for better worker protection and maintains flexibility.

Having a union has shown to be the best way for workers to raise wages and improve working conditions. On their own, individual workers have little power to negotiate with employers. By coming together to have a voice on the job, unionized workers typically earn higher wages and have greater access to health care and retirement benefits than their non-union counterparts, and this difference is even more notable for workers of color. Workers covered by a union contract in California earn an average of 12.9% more than similar nonunion workers. This benefits all Californians—with higher incomes and greater access to benefits, union families are less likely to need to rely on public safety net and health insurance programs to meet their basic needs."

Arguments in Opposition

Protect App-Based Drivers and Services is opposed and states, "AB 1340 poses a direct challenge to Prop 22 and threatens to erode the independence that app-based rideshare drivers overwhelmingly demand. For many rideshare drivers, the ability to choose when, where, and how they work is a necessity. This bill threatens to force drivers into an untenable structure that doesn't reflect the realities or needs of the evolving app-based economy. This bill would ultimately lead to the elimination of flexible earning opportunities for hundreds of thousands of Californians.

Furthermore, by increasing costs and introducing new barriers, AB 1340 threatens the availability of app-based rideshare services and could make these services significantly more expensive. This comes as many Californians are struggling with the high cost of living."

FISCAL COMMENTS

According to the Senate Appropriations Committee:

The Public Employment Relations Board (PERB) indicates that it would incur one-time costs of \$1.35 million, and \$2 million ongoing to implement the provisions of the bill (General Fund).

VOTES:

ASM LABOR AND EMPLOYMENT: 5-0-2

YES: Ortega, Elhawary, Kalra, Lee, Ward

ABS, ABST OR NV: Flora, Chen

ASM APPROPRIATIONS: 11-3-1

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Dixon, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 54-15-10

YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NO: Alanis, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

ABS, ABST OR NV: Carrillo, Castillo, Chen, Flora, Lackey, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Blanca Rubio

UPDATED

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