



*El Dorado County Chamber Commission; Elk Grove Chamber Commerce; Folsom Chamber of Commerce;
Rancho Cordova Chamber of Commerce; Roseville Area Chamber of Commerce*

April 1, 2019

Hon. Lorena Gonzalez
California State Assembly
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 5 (Gonzalez) re: Independent Contractors – OPPOSE UNLESS AMENDED

Dear Assembly Member Gonzalez:

On behalf of the chambers of commerce that comprise the United Chamber Advocacy Network (UCAN) and their nearly 4800 combined members, I am writing to express our opposition to Assembly Bill 5 which in current form, exempts several occupations from the application of the recent California Supreme Court's Dynamex decision.

Uncertainty and liability are two conditions that discourage business owners and operators from reinvesting in their businesses and growing their workforce – and the recent Dynamex decision exacerbates both conditions for multitude of businesses and independent contractors in California – especially small businesses and start-ups.

We encourage broader exemptions in AB 5 that allow small businesses, start-ups and non-profits to use independent contractors in their core areas of business in order to manage their workforce with maximum flexibility.

Ability to subcontract for short term projects – this is especially critical for small business operations, including start-ups, who need the ability to contract for core business functions in both good times and bad.

Include broader exemption for professionals – small business operations consistently utilize an array professionals as independent contractors to conduct their core business operations precisely because they can't afford to put them on the payroll.

Eliminate the retroactive application of Dynamex Decision – businesses should not be liable for prior business practices that were compliant with the law at the time.

Millions of small businesses, start-ups and non-profits have developed and implemented their business models based on a flexible set of rules that have been in place for decades. We encourage the legislature to utilize this opportunity to reaffirm this much needed flexibility and provide requisite practical and legal certainty as part of a thoughtful legislative solution to the recent Dynamex Decision.

Dave Butler

Advocate

United Chamber Advocacy Network

cc. Members, Assembly Labor and Employment Committee
Assembly Members Frank Bigelow, Ken Cooley, Jim Cooper, Kevin Kiley

UCAN - United Chamber Advocacy Network
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