



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

April 17, 2019

Hon. Jerry Hill, Chair
Senate Committee on Labor and Employment
1020 N Street, Room 545
Sacramento, CA 95814

SB 238 (Grove) re: Independent Contactors – SUPPORT

Dear Senator Hill:

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 support for Senate Bill 238 (Grove) which seeks to provide clarity relative to the definition of an independent contractor in the wake 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 support the language of SB 238 which requires an analysis of an independent contractors' relationship to the "hiring" entity to be based on the Economic Realities Test in the Federal Fair Labor Standards of 1938. Not only does this approach provide clarity in the wake of Dynamex but it also places California's businesses on equal footing with their competitors in other states.

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.

We respectfully urge your AYE vote on SB 238.

Sincerely,

Dave Butler

Advocate
United Chamber Advocacy Network

cc. Members, Senate Committee on Labor and Employment
State Senator Shannon Grove
State Senators Jim Nielsen and Richard Pan