

Uber, Lyft, and DoorDash Pledge \$90 Million To Fund Voter Initiative To Overturn Assembly Bill 5

California Employment Law Update Blog on September 4, 2019

Assembly Bill 5, a proposed new law [currently pending in the California legislature](#), would limit and codify last year's California Supreme Court [Dynamex opinion](#). If passed and signed into law by Gov. Newsom (he's already said he'll sign it), AB-5 would make it nearly impossible for most California employers to hire an independent contractor and would convert such workers into "employees" in the eyes of the law.

Among the things the California legislature finds most enticing about the proposed new law is the prospect of collecting more than \$7 billion each year in new payroll taxes, which apply to workers who are classified as employees instead of independent contractors. Further, the California legislature, which depends heavily on campaign donations from labor unions, likes the proposed law because it will increase the number of employees (and, therefore, the number of prospective dues-paying union members) in California. (Assemblywoman Lorena Gonzalez, the bill's author, was the Secretary-Treasurer and CEO of the San Diego-Imperial Counties Labor Council, AFL-CIO, before being elected to office.)

In response to the legislative action, three titans of the "gig economy" (Uber, Lyft, and DoorDash) [pledged a combined total of \\$90 million](#) to fund a voter initiative in 2020 that would limit or overturn AB-5 and *Dynamex*. A bruising ballot fight over this issue will be something to behold and will cost both sides a fortune in advertising and voter outreach efforts.

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