



May 13, 2020

The Honorable Shannon Grove
 California State Senate
 State Capitol, Room 305
 Sacramento, CA 95814

SUBJECT: SB 806 (GROVE) WORKER STATUS: EMPLOYEES: INDEPENDENT CONTRACTORS SUPPORT

Dear Senator Grove:

The California Chamber of Commerce and the organizations listed below are pleased to **SUPPORT** your **SB 806 (Grove)**, as it will amend the “ABC” test for determining employee versus independent contractor

status in order to provide necessary flexibility to the test so that individuals who choose to be independent contractors can continue to work and earn income.

SB 806 amends the “B” factor of the ABC test to allow an individual that is providing work outside the usual course of the hiring entity’s business or is performing work outside the physical place of the hiring entity’s business to maintain their status as an independent contractor. This amendment to the “B” factor is consistent with the majority of other states that have an ABC test for purposes of unemployment insurance and/or worker’s compensation. It is also consistent with the definition of “usual course of business” in Labor Code Section 2810.3. From a policy perspective, this proposed amendment is also consistent with the nature of an independent contractor, as an individual who is not physically at the same location of the hiring entity, is less likely to be under the hiring entity’s control with regard to how they perform the work.

SB 806 provides needed balance to AB 5 (Gonzalez), which codified the ABC test and provides the necessary flexibility to allow individuals who operate as independent contractors to continue to do so.

For these reasons, we **SUPPORT** your **SB 806**.

Sincerely,



Ben Ebbink
California Chamber of Commerce

Acclamation Insurance Management Services
Allied Managed Care
Auto Care Association
Brea Chamber of Commerce
California Association of Winegrape Growers
California Business Properties Association
California Farm Bureau Federation
California Food Producers
California Manufacturers and Technology Association
California Retailers Association
CAWA – Representing the Automotive Parts Industry
Chino Valley Chamber of Commerce
Coalition of Small and Disabled Veteran Business
El Dorado Hills Chamber of Commerce
Family Business Association of California
Flasher Barricade Association
Fountain Valley Chamber of Commerce
Gilroy Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater San Fernando Valley Chamber of Commerce
Lancaster Chamber of Commerce
Lodi Chamber of Commerce
National Federation of Independent Business
North Orange County Chamber
North San Diego Business Chamber
Orange County Business Council
Pleasanton Chamber of Commerce
Rancho Cordova Chamber of Commerce
San Gabriel Valley Economic Partnership
Santa Clarita Valley Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Silicon Valley Organization

Southwest California Legislative Council
Torrance Area Chamber of Commerce
Tulare Chamber of Commerce
Valley Industry & Commerce Association

Visalia Chamber of Commerce

cc: Stuart Thomspson, Office of the Governor
Elizabeth Watson, Office of Senator Grove

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