California Assembly Amends FAST Recovery Act Proposal

On January 20, 2022, members of the California Assembly voted 43-13 to approve amendments to Assembly Bill 257, which seeks to enact the Fast Food Accountability and Standards Recovery Act (known as the "FAST Recovery Act"). Initially introduced on January 15, 2021, AB 257 would establish a Fast Food Sector Council ("Council") charged with establishing sectorwide "minimum standards on wages, working hours, and other working conditions related to the health, safety, and welfare of, and supplying the necessary cost of proper living to, fast food restaurant workers, as well as effecting interagency coordination and prompt agency responses in this regard." The Council, which would exist within the Department of Industrial Relations, would be responsible for fully reviewing the adequacy of minimum health, safety, and employment standards for fast food restaurants at least once every three years, with the power to issue, amend, or repeal, or make recommendations to issue, amend, or repeal, any relevant standards as it deemed appropriate. Notably, AB 257 seeks to impose joint and several liability upon fast food franchisors for penalties and fines resulting from franchisee violations of employment and worker and public health and safety laws and orders, including those related to unfair business practices, employment discrimination, the California Retail Food Code, certain labor regulations, emergency orders, and future standards to be issued by the Council. The legislation would also impose joint and several liability upon franchisors if the terms of the franchise are found to be a substantial factor in causing the franchisee's liability for such violations. Employers with fast food restaurants in California should monitor the development of this bill.

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