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Massachusetts Eyes Gig Economy Driver Classification Ballot Initiative

On September 1, 2021, Massachusetts Attorney General Maura Healey approved two potential ballot initiatives (<u>Initiative 1</u>, <u>Initiative 2</u>) regarding the classification of app-based drivers. If passed, either initiative would enact the Relationship Between Network Companies and App-Based Drivers Act (the "Act") and classify such drivers as independent contractors rather than employees. Under the Act, app-based drivers would be independent contractors if they (1) are not required to work on certain days, at specific times, or a set number of hours, (2) are free to reject requests for rides or deliveries, and (3) are not restricted from working in any other line of work, including working for other app-based transportation or delivery companies. While the Act would make appbased drivers who meet these criteria independent contractors, it would also require companies to provide appbased drivers with at least 120% of the applicable minimum wage, a healthcare stipend, paid sick time, paid family and medical leave, occupational accident insurance, and paid occupational safety training. Before Massachusetts voters will have the opportunity to adopt or reject the initiative in November 2022, the Act will have to go through additional steps, including two rounds of signature collection and approval by a Massachusetts state court. Perkins Coie LLP will continue to monitor this and any similar developments around the country.

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