WHAT WOULD THE FAST FOOD SECTOR COUNCIL DO?

The FAST Recovery Act would create a Fast Food Sector Council that includes five representatives from state agencies that handle labor, health, and workplace safety; four representatives of quick service workers and/or labor unions; and four representatives of quick service employers and/or franchisees.

The council would have complete authority over counter service restaurants, with the ability to set regulations, without consulting the California Legislature, including rules concerning:
- Wages
- Training Requirements
- Health and Safety Standards
- And more

This bill would have major impacts on both franchisees and franchisors by giving an unelected body the ability to create regulations that would harm quick service operators around the state. California currently has some of the most stringent laws in the country. Instead of attempting to enforce those existing laws, this legislation creates a new layer of bureaucracy, uncertainty, and potential costs to the industry.

WHY IT MATTERS

If passed, AB 257 hands power over the quick service industry to unelected political appointees without any accountability, which would be unprecedented across the country. Proponents of AB 257 have said that fast food franchisees are guilty of rampant labor violations, and they see the looming Fast Food Sector Council as a quick fix to those issues. Quick service restaurants employ 3.2% of California’s workforce and accounted for only 1.6% annually of total average wage claims filed with the state Division of Labor Standards Enforcement from 2017-2022.

We can also expect there to be a movement in California to include full-service chain restaurants and potentially independent restaurants under a similar sector council. If passed, also expect to see similar legislation in states like New York, Oregon, Washington, Illinois, and more.

The greatest chance for defeating this legislation is in the California Senate, making it imperative for the industry to focus its efforts there.