PUBLIC AFFAIRS POLICY BRIEF SERIES

POLICY BRIEF: ASSEMBLY BILL 257

CALIFORNIA FAST RECOVERY ACT

The FAST Recovery Act would establish an unelected and unaccountable board consisting of 11 political appointees and labor union representatives called the "Fast Food Sector Council" that would have regulatory authority over California locations of national counter service restaurants.

This bill has passed out of the California Assembly and is currently being considered by the State Senate.

While this legislation only applies to quick service chain restaurants in California, the unprecedented system it sets up will have ramifications for the entire industry nationally.

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; two quick service restaurant employees and two employee advocates; and one representative each for franchisees and corporations.

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
- Scheduling
- Training Requirements
- Health and Safety Standards
- And more

The FAST Act also establishes that franchisors are joint employers of franchisees and will hold franchisors liable for violations of labor laws committed by the franchisee.

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, the FAST Recovery Act hands power over the quick service industry to unelected political appointees without any accountability, which would be unprecedented across the country. Proponents of the FAST Recovery Act 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.

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.

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