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AB-610 Fast food restaurant industry: Fast Food Council: health, safety, employment, and minimum wage. (2023-2024)

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Assembly Bill No. 610

CHAPTER 4

An act to amend Section 1474 of the Labor Code, relating to employment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 25, 2024. Filed with Secretary of State March 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 610, Holden. Fast food restaurant industry: Fast Food Council: health, safety, employment, and minimum wage.

Existing law, until January 1, 2029, establishes the Fast Food Council and prescribes the council's purposes, duties, and limitations, as described. Existing law establishes an hourly minimum wage for fast food restaurant employees, as described, authorizes the council to increase the hourly minimum wage pursuant to specified parameters, and sets forth requirements, limitations, and procedures for adopting and reviewing fast food restaurant health, safety, and employment standards. Existing law defines terms for these purposes, including defining "fast food restaurant" to mean a limited-service restaurant in the state that is part of a national fast food chain. Existing law exempts from the definition of "fast food restaurant" an establishment that on September 15, 2023, operates a bakery in a prescribed manner, as long as it continues to operate such a bakery. Existing law also exempts certain restaurants in grocery establishments.

This bill would exempt additional restaurants from the definition of "fast food restaurant," including such restaurants in airports, hotels, event centers, theme parks, museums, and certain other locations, as prescribed.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

(a) The goals of the Fast Food Council created pursuant to Section 1475 of the Labor Code will be furthered by clarifying the scope of fast food restaurants and fast food restaurant workers covered by its terms.

(b) Restaurants that are operated in conjunction with larger enterprises such as airports, hotels, large event centers, theme parks, museums, gambling establishments, corporate campuses, and certain public lands, generally do not share the same characteristics as traditional fast food restaurants that are part of national fast food chains, because restaurants operated in conjunction with larger enterprises have distinct economics and a captive customer base, are often operated subject to concession or food service contracts, and have different employment structures.

(c) The amendments to Section 1474 of the Labor Code will not interfere with the objectives of Sections 1474, 1475, and 1476 of the Labor Code, including allowing the state to improve wages and working conditions in the fast food restaurant industry, which employs some of California's lowest income workers.

SEC. 2. Section 1474 of the Labor Code is amended to read:

1474. For purposes of this part:

(a) "National fast food chain" means a set of limited-service restaurants consisting of more than 60 establishments nationally that share a common brand, or that are characterized by standardized options for decor, marketing, packaging, products, and services, and which are primarily engaged in providing food and beverages for immediate consumption on or off premises where patrons generally order or select items and pay before consuming, with limited or no table service. For purposes of the definitions in this part, "limited-service restaurant" includes, but is not limited to, an establishment with the North American Industry Classification System Code 722513.

(b) "Council" means the Fast Food Council.

(c) Except as provided in subdivisions (i) to (k), inclusive, "fast food restaurant" means a limited-service restaurant in the state that is part of a national fast food chain.

(d) "Fast food restaurant franchisee" means a person to whom a fast food restaurant franchise is granted.

(e) "Fast food restaurant franchisor" means a person who grants or has granted a fast food restaurant franchise.

(f) "Fast food restaurant operator" means a person who operates a fast food restaurant.

(g) "Franchise," "franchisee," and "franchisor" have the definitions set forth in Article 1 (commencing with Section 20000) of Chapter 5.5 of Division 8 of the Business and Professions Code.

(h) "Working conditions" include, but are not limited to, wages, conditions affecting fast food restaurant employees' health and safety, security in the workplace, the right to take time off work for protected purposes, and the right to be free from discrimination and harassment in the workplace.

(i) When a restaurant is located and operates within a "grocery establishment," as defined in subdivision (d) of Section 2502, and the grocery establishment employer employs the individuals working in the restaurant, the restaurant shall not be considered a fast food restaurant.

(j) "Fast food restaurant" shall not include an establishment that on September 15, 2023, operates a bakery that produces for sale on the establishment's premises bread, as defined under Part 136 of Subchapter B of Chapter I of Title 21 of the Code of Federal Regulations, so long as it continues to operate such a bakery. This exemption applies only where the establishment produces for sale bread as a stand-alone menu item, and does not apply if the bread is available for sale solely as part of another menu item.

(k) "Fast food restaurant" shall not include a restaurant that is any of the following:

(1) Located in an airport, as defined in Section 21013 of the Public Utilities Code, but excluding any military base or federally operated facility.

(2) Connected to or operated in conjunction with a hotel. For purposes of this paragraph, "hotel" means a residential building that is designated or used for lodging and other related services for the public and includes any contracted, leased, or sublet premises connected to or operated in conjunction with the building's purpose, or providing services at the building.

(3) Connected to or operated in conjunction with an event center. For purposes of this paragraph, "event center" means a publicly or privately owned structure of more than 20,000 square feet or 1,000 seats that is used for the purposes of public performances, sporting events, business meetings, or similar events, and includes concert halls, stadiums, sports arenas, racetracks, coliseums, and convention centers. "Event center" also includes any contracted, leased, or sublet premises connected to or operated in conjunction with the event center's purpose.

(4) Connected to or operated in conjunction with a theme park. For purposes of this paragraph, "theme park" means a commercially operated, admission-based grounds or enclosure featuring amusement park rides of a permanent or semipermanent nature, shows, and attractions that are presented, shown, staged, or offered to the public, along with games, merchandise, and food offered for sale in the park, and any contracted, leased, or sublet premises that are connected to, located within, or operated in conjunction with that park, whether or not an admissions ticket is required for entry.

(5) Connected to or operated in conjunction with a public or private museum, within the meaning of Section 1899.1 of the Civil Code.

(6) Connected to or operated in conjunction with a gambling establishment, as defined in subdivision (o) of Section 19805 of the Business and Professions Code.

(7) A restaurant that is all of the following:

(A) Located in and operated in conjunction with a building, group of buildings, or campus used for office purposes primarily or exclusively by a single, for-profit corporation and its affiliates.

(B) Primarily or exclusively serves employees of that corporation or its affiliates rather than the general public.

(C) Is part of, or subject to, a concession or food service contract covering the building, group of buildings, or campus.

(8) Located on land owned by the state, a city or county, or other political subdivision of the state, that is part of a port district or land managed by a port authority or port commission, a public beach, public pier, state park, municipal or regional park, or historic district, and is operated pursuant to a concession agreement or food service contract.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to how the immediate operation of new regulation of the fast food industry in California affects portions of the industry and existing local ordinances and pending regulatory and ballot measures, it is necessary for this statute to take effect immediately.