

CALIFORNIA LEGISLATURE—2025-2026 SIMULATION SESSION

SENATE BILL

NO. 10

Introduced by Senator Smallwood-Cuevas

October 01, 2025

An act to establish additional protections for app-based transportation and delivery workers, and to create a portable benefits system.

LEGISLATIVE COUNSEL’S DIGEST

SB 10, as introduced, Smallwood-Cuevas. App-based worker protections.

Existing legislation, like Proposition 22 (2020), classifies app-based transportation and delivery drivers as independent contractors outside the labor protection laws of employees. These workers are exempt from the protection of minimum wages, sick leave, unemployment compensation, and retirement plans sponsored by employers. Although Proposition 22 established restricted health care stipends and earnings assurances, the majority of gig workers continue to face precarious wages, inadequate safety practices, and no paid time off or long-term benefits.

This bill would not amend the independent contractor classification implemented in Proposition 22. Instead, the bill would implement additional protections for app-based workers. Specifically, the bill would require platform companies to reimburse drivers for work expenses, establish occupational health and safety standards, and create a California Gig Worker Benefits Fund. The Fund would use contributions from platform companies to provide portable benefits such as paid sick leave, retirement savings, and accident insurance for drivers.

The bill would compel the Department of Industrial Relations (DIR), in consultation with Cal/OSHA, to enforce and implement these standards. The bill would appropriate \$50 million in General Fund to establish the California Gig Worker Benefits Fund, with subsequent funding coming through mandatory company contributions.

Vote: Majority

Appropriation: Yes

Fiscal Committee: Yes

Local Program: No

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

SECTION 1. Definitions.

- (a) "App-based driver" means any individual who offers rideshare, delivery, or courier work through an on-line network or platform.
- (b) "Platform company" is a company that uses a digital platform to link customers with app-based drivers.
- (c) "Portable benefits" is used to denote benefits, including but not limited to sick pay, retirement savings, and accident coverage, that accompany the worker rather than the employer.

SEC. 2. Expense Reimbursement.

- (a) Platform companies will pay drivers at an annually set per-mile rate by the Department of Industrial Relations to cover the cost of fuel, car maintenance, and depreciation.
- (b) Reimbursement shall be effected not later than one week following service delivery.

SEC. 3. Occupational Safety Standards.

- (a) Cal/OSHA will issue regulations requiring app-based businesses to:
 - (1) Provide personal protective equipment as desired by employees.
 - (2) Offer accident and injury insurance with medical benefits and wage replacement for on-the-job injuries.
- (b) All non-compliers shall be subject to at least a civil fine of ten thousand dollars (\$10,000) per violation.

SEC. 4. California Gig Worker Benefits Fund.

- (a) The California Gig Worker Benefits Fund is to be established by the Department of Industrial Relations.
 - (b) Platform businesses will remit a minimum of 5 percent gross transaction amount to the Fund.
 - (c) Benefits should be portable and adhered to all workers via a state-governed account.
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SEC. 5. Appropriation.

(a) Fifty million dollars (\$50,000,000) are hereby appropriated from the General Fund to the Department of Industrial Relations for the express purpose of establishing the California Gig Worker Benefits Fund.

(b) The Fund is then to be sustained by mandatory contributions from platform enterprises.

SEC. 6. Implementation.

(a) The Department of Industrial Relations will manage the Fund and oversee program compliance.

(b) Cal/OSHA will enforce occupational safety standards to be adopted under this act.

(c) The Department of Industrial Relations shall report annually to the Legislature regarding worker outcomes, company compliance, and the financial soundness of the Fund.