



Order Up! California Governor Signs Fast Food Accountability Law Aimed At Larger Fast Food Operations

September 7, 2022 | [Labor And Employment](#), [State Labor Laws](#)



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On Sept. 5, 2022, California Gov. Gavin Newsom signed Assembly Bill 257, the [Fast Food Accountability and Standards Recovery Act](#) (FAST Act.) It creates a California Fast Food Council, which is empowered to set and enact sector-wide wage and hour regulations and minimum work standards in fast-food employment. In this regard, the Fast Food Council's duties overlap with the California Industrial Welfare Commission (IWC), which has the same authority with respect to all of California's industries. The law goes into effect Jan. 1, 2023.

The California Fast Food Council differs from the IWC in the important respect that the Fast Food Council will include representatives of the various fast food industry employees and "advocates" for the fast food industry. These representatives will comprise 40 percent of the members of the Fast Food Council. Other members are to be appointed by the governor to represent franchisees and franchisors, as well as the Department of Industrial Relations and the state's Office of Business and Economic Development.

The new Fast Food Council is authorized to regulate any establishment in the state that is part of a fast food chain and that primarily provides food or beverages for immediate consumption, to customers who order or select items and pay before eating, with items prepared in advance, including items

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that may be prepared in bulk and kept hot, or with items prepared or heated quickly and limited or no table service. A covered fast food chain is defined under the act as a set of restaurants consisting of 100 or more establishments nationally that share a common brand or that are characterized by standardized options for decor, marketing, packaging, products, and services. (There are exceptions for certain types of grocery and bakery businesses.)

Under the law, the Fast Food Council is required to “conduct a full review of the adequacy of minimum fast-food restaurant health, safety, and employment standards at least once every three years” and “hold meetings or hearings no less than every six months that would be open to the public, as specified, and would authorize the council to coordinate with and authorize local agencies to hold such meetings.” Additionally, the bill authorizes local input, which allows a county or a city with a population greater than 200,000 to prescribe powers and establish a Local Fast Food Council to provide recommendations to the Fast Food Council.

It is likely that the FAST Act will spur litigation challenging its enactment and the propriety of any regulations enacted by the Fast Food Council. Fast food businesses with California locations should carefully monitor the status of the FAST Act and the activity of the Fast Food Council.