

**Introduced by Senator Corbett**

February 22, 2008

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An act to add Sections 1021.7 and 2753 to the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1583, as introduced, Corbett. Employment: independent contractors.

Under existing law, a person who knowingly enters into a contract for services that require an independent contractor license with a person who does not meet the burden of proof of independent contractor status, as prescribed, is subject to a civil penalty of \$200 per person so contracted for each day of the contract.

This bill would provide that a person who advises another person to treat an individual as an independent contractor to avoid employee status for the individual shall be jointly and severally liable with the employer if the individual is not found to be an independent contractor.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 1021.7 is added to the Labor Code, to
- 2 read:
- 3 1021.7. (a) A person who advises another person for money
- 4 or other valuable consideration to treat an individual as an
- 5 independent contractor to avoid employee status for the individual
- 6 shall be jointly and severally liable with the employer for the civil

1 penalty provided in Section 1021.5 if the individual is not found  
2 to be an independent contractor.

3 (b) This section does not apply to a licensed attorney in good  
4 standing in this state or another state who provides legal advice  
5 within the scope of his or her license.

6 SEC. 2. Section 2753 is added to the Labor Code, to read:

7 2753. (a) A person who advises an employer to treat an  
8 individual as an independent contractor to avoid employee status  
9 for that individual shall be jointly and severally liable with the  
10 employer if the individual is not found to be an independent  
11 contractor.

12 (b) This section does not apply to a licensed attorney in good  
13 standing in this state or another state that provides legal advice  
14 within the scope of his or her license.