Blogs

July 27, 2023 Freelance Worker Protections Ordinance for Independent Contractors in Los Angeles



In the latest development in California's evolving independent contractor laws, the Los Angeles City Council approved a new ordinance that provides protections for certain independent contractors providing services in Los Angeles. Beginning on July 1, 2023, the Freelance Worker Protections Ordinance (Ordinance) requires that any contract between a hiring entity and a freelance worker valued at \$600 or more (either by itself or when combined with previous written or oral contracts between the parties in a given calendar year) be in writing and include, among other things: (1) an itemization of all services the freelance worker provides, (2) the value of the services to be provided pursuant to the contract, and (3) the date by which the entity must pay the contracted compensation or the manner by which that payment date will be determined. Under the Ordinance, a freelance worker is an individual natural person, or an entity whose interests are entirely held by and whose work is performed entirely by no more than one individual natural person. A hiring entity is defined as an entity regularly engaged in business or commercial activity, including a nonprofit business, but excluding companies that hire app-based transportation and delivery drivers to provide prearranged services.

The Ordinance also specifies that if the written contract does not provide a due date, or if there is no written contract, the freelance worker must be fully paid no later than 30 calendar days after services are rendered. Hiring entities are also prohibited from retaliating against freelance workers for asserting rights under the Ordinance or for opposing any practice banned by the Ordinance. Freelance workers' rights under the Ordinance are nonwaivable, and a freelance worker who feels their rights may have been violated can file a complaint with the Office of Wage Standards or file a civil action within one year of any violation of the Ordinance.

Businesses and individuals with questions regarding Los Angeles's Freelance Worker Protections Ordinance or California independent contractor laws should contact experienced counsel for guidance on related policies and practices.

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