

Nation's Restaurant News



This legislation will be replacing the controversial FAST Act.

NEWS

California governor raises minimum wage for fast food employees to \$20

an hour

The legislation was signed into law Thursday and will go into effect April 1, 2024, in place of the state's original FAST Act law

Joanna Fantozzi | Sep 28, 2023

California Gov. Gavin Newsom signed into law legislation on Thursday that will raise the minimum wage for fast food workers from the state standard \$15 an hour to \$20 an hour, effective April 1, 2024. The legislation, proposed by state assemblymember Chris R. Holden, is largely in place of the controversial FAST Act, which was originally passed a year ago, and then was put on hold following a lawsuit initiated by the Save Local Restaurants Coalition .

“California is home to more than 500,000 fast-food workers who – for decades – have been fighting for higher wages and better working conditions. Today, we take one step closer to fairer wages, safer and healthier working conditions, and better training by giving hardworking fast-food workers a stronger voice and seat at the table,” Newsom said in a statement.

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The newly passed legislation is a version of the Save Local Restaurants Act that was proposed by multiple groups, including the Service Employees International Union, the National Restaurant Association and the International Franchise Association earlier this month. The Save Local Restaurants Act is a new version of the FAST Act that is a compromise between legislators' proposals, and the interests of both restaurant owners

and employees.

“The governor’s signature on this bill brings to an end a years-long and expensive fight over the regulation of the California quick service industry,” Sean Kennedy, executive vice president of public affairs for the National Restaurant Association said in a statement. “We appreciate Governor Newsom’s efforts to bring the sides together and his show of support in signing into law the final agreement. There are significant challenges created by this law that restaurants will have to navigate, but they will do it with stable and predictable regulation that they wouldn’t have had under the FAST Act or the Industrial Welfare Commission.”

Related: The latest in the FAST Act saga

The major differences between the original FAST Act and the newly passed final version of the law are as follows:

- The original law could have raised minimum wage for fast food workers to \$22 an hour by Jan. 1, 2024, but the new law raises the minimum wage for fast food workers to \$20 an hour on April 1, 2024
- Under the FAST Act local jurisdictions could pass their own quick service restaurant-specific minimum wages but under the new law, they cannot do so until 2029
- Under the original legislation the non-elected Fast-Food Council would have authority to pass quick service industry-specific legislation regarding wages, working conditions, etc. Under the new law, the council in its proposed form is eliminated, while a new council has limited powers of authority in terms of passing future wage changes
- The original legislation would have established joint liability between

fast food franchisors and franchisees, and this was eliminated in the updated legislation

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