



City of Somerville, Massachusetts

Legislation Text

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Agenda Summary

In Support of An Act Establishing Protections and Accountability for Transportation Network Companies (TNC) and Delivery Network Companies (DNC) Workers.

Official Text

Resolution: In Support of An Act Establishing Protections and Accountability for TNC and DNC Workers

WHEREAS: Transportation Network Companies (TNCs) such as Uber and Lyft, and Delivery Network Companies (DNCs) such as Doordash and Instacart, currently misclassify their drivers as independent contractors; and

WHEREAS: The drivers for TNCs and DNC's drivers are in fact employees of these app-based companies; and

WHEREAS: In July of 2020, the Massachusetts Attorney General filed a lawsuit against Uber and Lyft regarding issues of wage theft and misclassification because such drivers are employees; and

WHEREAS: All other employers fund social programs such as unemployment, workers' compensation and the paid family medical leave; and

WHEREAS: In April 2024, the Massachusetts State Auditor's office performed a financial assessment of TNCs over a period of 10 years, which found that \$105.2M was lost in workers compensation ; \$125M was lost in unemployment insurance ; and \$36.3M was lost in Paid and Family Medical Leave ; totalling over \$266M owed to the Massachusetts benefit programs from the period of 2013 to 2023; and

WHEREAS: Uber and Lyft earned \$1.4B in 2023 alone yet due to this misclassification of drivers contributed nothing to Massachusetts benefit programs; owing the Commonwealth \$47M; and

WHEREAS: Existing, well tested laws exist that can regulate TNCs and DNCs and protect consumers; and

WHEREAS: S.627/H.1158 “An Act Establishing Protections and Accountability for TNC and DNC Workers” combines those laws and prevents price gouging, requires panic buttons for both driver and passenger, and provides a pathway to unionization, all while maintaining employee status; and

WHEREAS: S.627/H.1158 also allows local control and flexibility with regards to the impact of TNCs and DNCs; and

WHEREAS: It is a priority of the City of Somerville to require fair contributions from corporations participating in labor and employment within the Commonwealth; **NOW, THEREFORE, BE IT**

RESOLVED: That the Somerville City Council expresses its support of the “Act Establishing Protections and Accountability for TNC and DNC Workers “(S.627/H1158), that would allow TNCs to sustain worker benefits and protections that maintain a level playing field across transportation industries; **AND BE IT FURTHER**

RESOLVED: That a copy of this Resolution be provided to each member of the Somerville Delegation in the Massachusetts State Legislature.