



WHAT'S HAPPENING RIGHT NOW

NLRB Drastically Expands Joint Employer Liability 📄

Legal liability and labor organizing issues will be shared among separate companies per a new [federal "joint employer" rule](#) taking effect on Dec. 26. Under the rule, "indirect" control by one company over a worker employed by a different company can trigger joint employer status. This has implications for any restaurant's third-party contracts with onsite service providers (such as a janitor or linens service) and franchisee-franchisor relationships. The [Association and RLC](#) seek to restore a workable standard, and are considering legislative and legal actions.

Fed Votes to Issue Proposal Lowering Debit Card Swipe Fees ↓

In a move that could save restaurant operators and other merchants billions annually, the Federal Reserve [voted](#) in favor of issuing a proposed rule to lower the debit fee cap for the first time since 2011. If the proposal advances, the current debit interchange rate could be cut by around 33% and would be updated on a biennial basis in accordance with Fed data. The Association will submit comments supporting the change while financial institutions will lobby heavily against the proposal.

FTC Seeks Overhaul of Restaurant Pricing 🔑

Restaurant pricing would no longer be able to include fees or other surcharges under a [new rule](#) from the Federal Trade Commission (FTC). Branded as "junk fees," the FTC wants to ban mandatory service fees as well as credit card transaction fees, local taxes, and other charges that may appear on a customer's receipt. The proposal also targets third-party delivery meal services with upfront pricing. The Association is actively collecting feedback.

DOL's Overtime Increase 🕒

Under a new federal proposal, salaried employees earning up to \$55,068/year will get paid at 1.5X earnings after 40 hours/week, a **55% increase to the eligibility threshold**. DOL also plans automatic threshold updates every three years. **What's next:** The Association and Restaurant Law Center will submit comments, due November 7.

Competing Ideas Put Wage Rules at Center Stage 🗳️

After Congressional Democrats debuted a plan boosting the minimum wage to \$17/hour and eliminating the tip credit, Senate Republicans floated a new proposal to raise the minimum wage to \$11/hour and index future wage increases to inflation. While the Republican plan preserves the tip credit, it includes mandatory e-verify requirements. **What's next:** A likely Senate hearing on the Democratic [wage proposal](#) later this year. The Association will continue to lead to preserve the tip credit.



WHAT JUST HAPPENED

Restaurant Meal Revamp Introduced 🧑🍳

Senator Cornyn (R-TX) launched a [plan](#) to boost support for states that participate in the Restaurant Meals Program and offer restaurant meals to SNAP recipients who may have trouble cooking for themselves. The Association supports the Meals for At-Risk Americans Act ([S. 3034](#)) in the ongoing Farm Bill negotiation, and provisions related to food waste, avian flu preparedness, and efforts to stem rising crop prices.

Senate Duo Champions Key Tax Fix 🙌

Speaking to the media before a panel of restaurant operators and other groups, Sens. Capito (R-WV) and Sinema (I-AZ) strongly urged Congress to advance their plan to restore business interest expensing. The bipartisan AIM Act ([H.R. 2788/S. 1232](#)) permits restaurant operators to fully use depreciation and amortization when planning kitchen remodels, upgrades, and other cost-intensive investments.

SEC Outdone: California Mandates Climate Reporting ☀️

Sweeping climate and supply chain reporting mandates for both public and private companies are becoming law in California. Any company doing business in the state and earning \$500M+ in total annual revenue must produce climate risk reports by 2026. For companies earning \$1B+/year, reports must include Scope 1, 2, and 3 greenhouse gas emissions data—similar to the SEC's proposed rule in 2022. The SEC's final rule is expected by the end of 2023.





ON THE HORIZON

Awaiting DOL's Independent Contractor Rule - OMB Review Underway

Coming any day, the DOL has given the green light for the upcoming release of the "Employee or Independent Contractor Classification" final rule. The Association [opposes](#) the rule due to its potential impact on entrepreneurship, meal delivery, and operational challenges for the restaurant industry.

"All-In Pricing" Explored in Third-Party Delivery

Policymakers are scrutinizing third-party delivery, including how fees are displayed to customers once they select an item. Under one proposal, the "all-in" cost of the transaction—including delivery, mileage, and service fees—would be prominently updated after each selection. The Association wants to ensure customers are not confused or discouraged when ordering restaurant delivery.

Bipartisan Efforts to Strengthen Child Labor Penalties

Youth employment is under greater scrutiny on Capitol Hill and at DOL. Republican and Democratic lawmakers have introduced multiple bills that would strengthen penalties for violations of child labor laws and DOL has pledged to step up enforcement. The Association will continue to monitor these efforts and share resources, including this [fact sheet](#) on youth employment in restaurants.

App and Digital Menu Ordering Must Consider New Rules

Both the Kids Online Safety Act ([S. 1409](#)) and the Children and Teens Online Privacy Protection Act ([S. 1418](#)) in the Senate appear to have lost some momentum due to a recent lawsuit [preventing California's new kids' online privacy law from going into effect](#). **What we're watching:** Both federal bills expand online protections for those under 18 years old but may hamper a business' advertising and marketing practices.

PRIMER SPOTLIGHT

Credit Card Competition Act - [Add Your Voice in Support](#)

Secured the bipartisan, bicameral introduction of the Credit Card Competition Act (CCCA), S.1838/H.R.3881, in June 2023.

Supported Senate champions of CCCA as they fought to secure a floor vote on CCCA, first in July and in September.

Mobilized 40,000 grassroots emails to Congress supporting CCCA.

Placed 10 op-eds by 10 operators in 10 states.

Conducted over **200 meetings** in support of CCCA on Capitol Hill.

Supported Sens. Marshall and Durbin's request for a Senate Banking Committee hearing on CCCA to assuage procedural objections to floor vote on bill to help advance Senate action on CCCA by the end of the year.



Let's **STICK** a **FORK** in **HIGH SWIPE FEES**

The big credit card companies are sticking Americans with some of the highest swipe fees in the world.

These high swipe fees are driving up costs for you, and the neighborhood businesses you care about.

SCAN & TELL CONGRESS TO SUPPORT LOWER SWIPE FEES.

