

Chair Hardeman and Council,

Good morning! My name is Gabriela Campbell. My husband and I own and operate one Handel's Homemade Ice Cream franchise in Santee, CA. We have 24 employees, most of them are high school and college students who work part-time or are seasonal employees. Our Handel's ice cream parlor sells ONLY ice cream products such as cones, cups, sundaes, and shakes. We do not sell food of any kind and in fact our franchise agreement strictly prohibits us from doing so.

Per our Franchise Business Agreement, we operate an ice cream parlor. There is no mention of our franchisor being a restaurant. Because Handel's does not sell food, we are not members of the California Restaurant Association, which worked out an agreement with the California legislature in 2023 to enact a minimum wage law for fast-food restaurant employees.

We first learned about AB 1228 when it was signed into law in September 2023. Upon hearing of AB 1228, I read it closely and what it says is that "national fast-food chains" are subject to the bill. This brought us relief since Handel's is NOT a fast-food restaurant.

However, reading the bill more closely, I read the words "includes, but not limited to". I immediately contacted the legislators and stakeholders who were primarily responsible for enacting AB 1228. What I was told was that ice cream parlors were NOT the legislative intent of the bill.

Like all ice cream parlors, Handel's ice cream parlors are assigned NAICS Code 722515, the designation by the U.S. Census Bureau given to businesses which are Snack and Non-alcoholic Beverage Bars and NOT NAICS Code 722513, which is the code assigned to all fast-food restaurants such as McDonald's, Chick-Fil-A, and Taco Bell.

I flew here from San Diego this morning to respectfully request that the Council update its FAQ to reaffirm the intent and the letter of AB 1228 by adding a Q&A that states: If an establishment sells ONLY ice cream products and does not sell food such as burgers, hot dogs, sandwiches, or pizza that it is not subject to the requirements of AB 1228

Thank you for your time and consideration of our request

U.S. Census Bureau North American Industry Classification System
Codes

722513- Limited-Service Restaurant

This U.S. industry comprises establishments primarily engaged in providing food services (except Snack and Non-alcoholic Beverage Bars) where patrons generally order or select items and pay before eating. Food and drink may be consumed on premises, taken out, or delivered to a customer's location. Some establishments in this industry may provide these food services in combination with selling alcoholic beverages.

722515- Snack and Non-Alcoholic Beverage Bars

This U.S. industry comprises establishments primarily engaged in (1) preparing and/or serving a specialty snack, such as ice cream, frozen yogurt, cookies, or popcorn, or (2) serving nonalcoholic beverages such as coffee, juices, or soda for consumption on or near the premises. These establishments may carry and sell a combination of snack, nonalcoholic beverages and other related products (e.g. coffee beans, mugs, coffee makers) but generally promote and sell unique snack or nonalcoholic beverages.

The establishments belonging to NAICS code 722515 are expressly EXCLUDED as being a limited-service restaurant per the definition of 722513. Thus, it should have never been considered as subject to the requirement of the bill.

The ambiguity of which establishments are “in or out” has been a matter I’ve been working on for nine months. I was told in no uncertain terms that ice cream parlors were NOT the legislative intent of this bill, but the roadblock I hit was finding the agency or person to help. This bill was written for those thousands of “fast-food” workers who are struggling to make ends meet and live paycheck to paycheck are heads of households with multiple jobs. Not for a teen living at home, who goes to school full-time, requires a work permit, cannot work more than 4 hours nor can they work past 10pm on a school day.

On behalf of my fellow CA Handel’s franchisees, I humbly ask the Council for your consideration in updating the FAQ to reflect that ice

cream parlors, who sell only ice cream are not subject to the application of AB 1228.

Respectfully,

Gabriela Campbell