

**LEGISLATIVE DIGEST**  
(Substituted, 06/28/2022)

[Police Code - Third-Party Food Delivery Services]

**Ordinance amending the Police Code to define core delivery service to mean a service that both lists a covered establishment on all of a third-party food delivery service's platforms, including websites and mobile applications, and facilitates and/or performs delivery of food and/or beverages from the establishment; to exempt from the 15% cap on per-order fees, starting January 31, 2023, third-party food delivery services that offer restaurants the option to obtain only core delivery service at a cost of no more than 15% of the purchase price of an online order without requiring the purchase of additional services, and that notify all covered establishments with which the third-party food delivery services have an existing contract of this option no later than December 1, 2022; and to require that contracts between a third-party food delivery service and a covered establishment clearly define the fees, commissions, or charges associated with contracted services.**

Existing Law

Existing law prohibits a third-party food delivery service from charging a restaurant a fee that exceeds 15% of an online order total.

Amendments to Current Law

Beginning on January 31, 2023, this ordinance would exempt from the current 15% fee cap a third-party food delivery service that does both of the following: (1) offers restaurants the option to obtain "core delivery service" for a fee that does not exceed 15% of the online order total, without requiring the purchase of additional services; and (2) notifies restaurants that have an existing contract with the third-party food delivery service of this option no later than December 1, 2022. This ordinance would define "core delivery service" to mean a service that lists a restaurant on all of a third-party food delivery service's platforms, including websites and mobile applications, and facilitates and/or performs delivery of food and/or beverages from the restaurant to customers, but does not include other services that may be offered by the third-party food delivery service, such as advertising services, search engine optimization, business consulting, or credit card processing.

Background Information

This ordinance is introduced as a substitute for the ordinance in Board File No. 211131, which was originally introduced on October 26, 2021.

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