

ORDINANCE
By Goodman

Amending Title 13 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinance be amended by adding thereto a new Chapter 353 to read as follows:

CHAPTER 353.- THIRD-PARTY DELIVERY SERVICES

353.10. Definitions. For the purpose of this chapter, the following words and terms are defined and shall be construed as hereinafter set forth unless it is apparent from the context that they shall have a different meaning:

Licensed food establishment shall have the meaning provided pursuant to the Minnesota State Food Code and the Minneapolis Code of Ordinances.

Licensing official means the licensing official of the business licensing division or that individual's delegees.

Online order means an order placed by a customer through an internet platform provided by the third-party food delivery service for delivery or pickup within the city.

Person shall have the meaning provided pursuant to MCO § 3.60.

Purchase price means the menu price of an online order, excluding taxes, gratuities, or any other fees that may make up the total cost to the customer of an online order.

Telephone order means an order placed by a customer to a licensed food establishment through a telephone call forwarded by a call system provided by a third-party food delivery platform for delivery or pickup within the city.

Third-party food delivery service means any person, website, mobile application, or other internet platform that offers or arranges for the sale of food and beverages prepared by, and the same-day delivery or same-day pickup of food and beverages from, licensed food establishments.

353.20. – Third-party delivery standards. (a) A third-party food delivery service shall not perform any service for or disclose any information about a licensed food establishment without the consent of the licensed food establishment.

(b) A third-party delivery food service shall not charge any additional fee to a licensed food establishment that the licensed food establishment has not voluntarily agreed to pay.

(c) No person shall cause a third-party food delivery service to charge a licensed food establishment a commission fee for the use of the platform's services for delivery that exceeds ten (10) percent of the purchase price per online order. The provisions of this ordinance shall not limit the ability of any licensed

food establishment to choose to pay a higher commission or supplemental fee to access additional advertising or other products and services offered by any third-party food delivery service.

(d) No person shall cause a third-party food delivery service to reduce the compensation rate paid to a delivery service driver or request that a delivery service driver accept lower compensation in the future or garnish gratuities to comply with the terms of this ordinance.

(e) At the time a final price is disclosed to a customer for the intended purchase and delivery of food from a licensed food establishment through a third-party food delivery platform and before that transaction is completed by the customer, the third-party food delivery platform shall disclose to the customer, in plain language and in a conspicuous manner, any commission, fee, or any other monetary payment charged to the customer by the third-party food delivery platform.

(f) After a transaction occurs for the purchase and delivery of food from a licensed food establishment through a third-party food delivery platform, the third-party food delivery platform shall provide an electronic or printed receipt to the customer. The receipt shall disclose, in plain and simple language and in a conspicuous manner:

(1) The menu price of the food.

(2) Any sales or other tax applied to the transaction.

(3) Any delivery charge or service fee, imposed on and collected from the customer by the third-party food delivery platform and by the covered establishment, in addition to the menu price of the food.

(4) Any tip/gratuity that will be paid to the person delivering the food, and not to the third-party food delivery platform, that was added into the transaction when it occurred.

(5) Any commission associated with the transaction as referenced in subsection 353.20. (f) (3) of this ordinance, not including any agreed-upon higher commission or fee for access to additional advertising or other products or services.

(g) No third-party food delivery service may charge any fee from a licensed food establishment for a telephone order if a telephone call between such licensed food establishment and a customer does not result in an actual transaction during such telephone call.

(h) Subject to any rules and regulations or guidance that may be issued by the licensing official, any licensed food establishment or delivery service driver may submit a complaint of a violation of this section to the licensing official. Any such complaint shall be made in writing to the licensing official and shall include all information relied upon by the licensed food establishment.

(i) The licensing official shall investigate written complaints, shall notify any third-party food delivery services alleged to have violated this ordinance of any complaint, and shall provide a summary of findings regarding any such complaint to both the complainant and the third-party delivery service. Third-party food delivery services shall maintain books and records sufficient for the licensing official to investigate and issue an assessment. Such books and records shall be made available to the licensing official upon demand.

(j) If the licensing official determines a violation of this ordinance has occurred, the third-party food delivery service may be subject to the administrative enforcement and hearing process of Chapter 2 of the Minneapolis Code of Ordinances, each day a violation of this ordinance occurs. For purposes of this ordinance, the continuation of a violation shall be a separate violation for each day the licensing official determines a third-party food delivery service has violated this article. The licensing official shall be authorized to enforce the terms of this ordinance through the issuance of written notices and warnings and/or through the issuance of administrative citations or referral for misdemeanor prosecution or any other legal or equitable relief authorized by law.

353.30. - Additional terms. A violation of this ordinance may be enforced by the issuance of notices, warning letter(s), administrative citation(s), and/or misdemeanor prosecution or any other legal or equitable relief authorized by law. Minn. Stat. § 12.45; MCO § 1.30 and MCO § 259.250. A violation shall be considered an offense subject to administrative enforcement pursuant to MCO § 2.40.