



Legislation Text

File #: 21-0054, **Version:** 2

Recommendation to declare ordinance amending the Long Beach Municipal Code by adding Chapter 5.95, related to third-party food delivery service fees; and declaring that this ordinance shall take effect immediately, read and adopted as read. (Citywide)
(Emergency Ordinance No. ORD-21-0005)

At its meeting of December 8, 2020, the City Council requested an Urgency Ordinance related to third-party food delivery service fees. A draft Ordinance, Chapter 5.95, "Third-Party Food Delivery Service Fees," of the Long Beach Municipal Code is attached hereto for the City Council's consideration and approval.

Consistent with the City Council's direction, Chapter 5.95 would prohibit a third-party food delivery service from charging a retail food establishment a delivery fee that totals to more than 15% of the total purchase price of each order.

Chapter 5.95 would further institute the following prohibitions:

- A third-party food delivery service shall not charge a retail food establishment any amount designated as a "delivery fee" for an online order that does not involve the delivery of food or beverages;
- A third-party food delivery service shall not charge a customer any purchase price for a food or beverage item that's higher than the price set by the retail food establishment on that platform or, if no price is set, the price listed on the retail food establishment's own menu; and
- A third-party food delivery service shall not reduce the compensation rates paid to its drivers, or to garnish gratuities, as a result of these fee limitations.

Third-party food delivery services would also be required to disclose, in plain language and in a conspicuous manner, any commission or fee charged to the customer by the service at the time a final price is disclosed to the customer. A violation of Chapter 5.95 may result in civil and/or criminal penalties.

Finally, the City Manager, or designee, would provide a report to the City Council every 90 days to determine whether the Chapter is still necessary based on the City's recovery from the health and economic impacts of the COVI 0-19 pandemic. The City Council would decide the expiration date of this Chapter following such reports.

The proposed Ordinance is deemed an urgency due to the economic hardships faced by

retail food establishments, and their employees and customers, during the COVI D- 19 pandemic.

Approve recommendation.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY ADDING CHAPTER 5.95, RELATED TO THIRD-PARTY FOOD DELIVERY SERVICE FEES; AND DECLARING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY

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APPROVED:

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