

House File 2502 - Introduced

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BY BENNETT

A BILL FOR

1 An Act relating to the operation of third-party food delivery
2 platforms during a public health emergency and including
3 applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 137G.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "*Department*" means the department of inspections and
5 appeals.

6 2. "*Online order*" means an order placed by a customer
7 through a third-party food delivery platform for delivery or
8 pickup within the state.

9 3. "*Public health disaster*" means the same as defined in
10 section 135.140, subsection 6.

11 4. "*Purchase price*" means the menu price of an online order,
12 excluding taxes, gratuities, or other fees that comprise the
13 total cost to the customer of an online order.

14 5. "*Restaurant*" means the same as defined in section 142D.2,
15 subsection 17.

16 6. "*Third-party food delivery platform*" or "*platform*" means
17 a website, mobile application, or internet service that offers
18 or arranges for the sale of food and beverages prepared by
19 restaurants for same-day delivery or pickup.

20 Sec. 2. NEW SECTION. 137G.2 Fee limits.

21 1. A third-party food delivery platform shall not charge
22 a restaurant a commission fee for the use of the platform's
23 services for delivery or pickup of more than fifteen percent
24 of the purchase price of the order during a public health
25 emergency and for thirty days thereafter.

26 2. A third-party food delivery platform shall not reduce the
27 compensation rate paid to a delivery service driver or garnish
28 delivery service driver gratuities in order to comply with this
29 section.

30 3. A third-party food delivery platform shall disclose to
31 the customer any commission, fee, or other payment imposed
32 by the third-party food delivery platform on the restaurant
33 as a term of a contract or agreement in connection with the
34 restaurant's use of the platform. The disclosure shall occur
35 at the time a final price is disclosed to a customer for the

1 intended purchase and delivery of food in plain language and
2 in a conspicuous manner.

3 Sec. 3. NEW SECTION. 137G.3 **Penalty.**

4 1. A person who violates this chapter shall be subject to a
5 civil penalty of not less than two hundred fifty dollars and
6 not more than one thousand dollars for each violation.

7 2. A violation of this chapter by a third-party food
8 delivery platform is an unlawful practice pursuant to section
9 714.16.

10 Sec. 4. NEW SECTION. 137G.4 **Rules.**

11 The department shall adopt rules to administer the
12 provisions of this chapter.

13 Sec. 5. APPLICABILITY. This Act applies to third-party
14 service delivery platforms operating on or after the effective
15 date of this Act.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill relates to the operation of third-party food
20 delivery platforms during a public health emergency.

21 The bill defines "online order" to mean a food order placed
22 by a customer through a third-party food delivery platform for
23 pickup or delivery in the state. The bill defines "purchase
24 price" to mean the menu price of an online order, excluding
25 additional fees. The bill defines "third-party food delivery
26 platform" or "platform" to mean a website, mobile application,
27 or internet service that offers or arranges for the sale
28 of food and beverages prepared by restaurants for same-day
29 delivery or pickup.

30 The bill provides that a third-party food delivery platform
31 shall not charge commission fees to a restaurant for the
32 platform's services totaling more than 15 percent of the order
33 purchase price during or 30 days following a public health
34 emergency. A platform shall not garnish delivery driver
35 compensation to fulfill the requirements of the bill. The

1 platform shall disclose any fees charged by the platform to
2 a restaurant for use of the platform prior to a customer
3 completing the transaction.

4 The bill provides that a violation of the bill's provisions
5 shall result in a fine between \$250 and \$1,000 per violation.
6 A violation of the bill's provisions constitutes an unlawful
7 practice under Code section 714.16 (consumer frauds). Several
8 types of remedies are available if a court finds that a person
9 has committed an unlawful practice, including injunctive
10 relief, disgorgement of moneys or property, and a civil penalty
11 not to exceed \$40,000 per violation.

12 The bill provides that the department of inspections and
13 appeals shall adopt rules to administer the provisions of the
14 bill.

15 The bill applies to third-party service delivery platforms
16 operating on or after the effective date of the bill.