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6/11/2026	*	City Council	Introduced by Council	
6/11/2026	*	City Council	Referred to Comm by Council	

Int. No. 950

By Council Members Schulman, Brewer, Louis, Restler, Zhuang, Morano, Ariola and Paladino

A Local Law to amend the administrative code of the city of New York, in relation to licensing delivery services

Be it enacted by the Council as follows:

Section 1. The heading of subchapter 36 of chapter 2 of title 20 of the administrative code of the city of New York, as added by local law number 100 for the year 2021, is amended to read as follows:

SUBCHAPTER 36: [THIRD-PARTY FOOD] DELIVERY SERVICES

§ 2. Section 20-563 of the administrative code of the city of New York, as added by local law number 100 for the year 2021, the definitions of the terms “base wage” and “gratuity” as added by local law number 110 for the year 2021, and the definitions of the terms “food delivery worker” and “toilet facility” as added by local law number 117 for the year 2021, are amended to read as follows:

§ 20-563 Definitions.

As used in this chapter, the following terms have the following meanings:

[Base wage. The term "base wage means money paid, whether by the hour or otherwise, to a food delivery worker by a third-party food delivery service in exchange for worker performed, not including gratuities, bonuses, allowances, shift differentials or other monetary payments that may contribute to such food delivery worker's total compensation.]

Basic service fee. The term "basic service fee" means a fee charged by a third-party food delivery service for providing a food service establishment with a service that: (i) allows such food service establishment to receive orders for delivery and pick-up on all websites and mobile and online platforms offered by such third-party food delivery service; and (ii) enables a person to search for such food service establishment on all such websites and platforms, in a manner that prominently displays such food service establishment by name and includes such food service establishment in results for a search based on customer criteria, such as cuisine type, location, or delivery radius, that are relevant to such food service establishment.

Contracted delivery worker. The term "contracted delivery worker" means any natural person or any organization composed of no more than 1 natural person, whether or not incorporated or employing a trade name, who is retained by a delivery service to deliver goods in exchange for compensation, including, but not limited to, a food delivery worker, provided that the term "contracted delivery worker" does not include any natural person or any organization composed of no more than 1 natural person, whether or not incorporated or employing a trade name, who delivers goods solely using a vehicle required by federal or state law, rule or regulation to be registered with the federal motor carrier safety administration.

Credit card. The term "credit card" means any credit card, charge card, courtesy card, debit card, or other device issued by a person to another person which may be used to obtain a cash advance or a loan or credit, or to purchase or lease property or services on the credit of the person issuing the credit card or a person who has agreed with the issuer to pay obligations arising from the use of a credit card issued to another person.

Customer. The term "customer" means a person that places an order for, accepts or receives goods delivered by, through or with the assistance of a delivery service.

Customer data. The term "customer data" means the following information provided to a third-party food delivery service by a customer who has placed an online order:

(i) Name;

(ii) Telephone number;

(iii) E-mail address;

(iv) The delivery address of the online order; and

(v) The contents of the online order being requested to be fulfilled by a food service establishment.

Delivery fee. The term "delivery fee" means a fee charged by a third-party food delivery service for providing a food service establishment with a service that delivers food from such establishment to customers located within at least 1 mile of such food service establishment.

Delivery service. The term "delivery service" means a person that facilitates, offers, or arranges for the delivery of goods to or from a location in the city, including, but not limited to, a third-party food delivery service and a third-party courier service, provided that the term "delivery service" does not include any such person that facilitates, offers or arranges fewer than 50 trips each week, or any person that facilitates, offers or arranges for the delivery of goods solely by vehicles required by federal or state law, rule or regulation to be registered with the federal motor carrier safety administration.

Direct telephone number. The term "direct telephone number" means a telephone number by which the caller communicates directly with a food service establishment, which is not a third-party telephone number.

Enhanced service fee. The term "enhanced service fee" means a fee charged by a third-party food delivery service for providing a food service establishment with a service other than the service such third-party food delivery service provides to such food service establishment in exchange for paying a basic service fee, a delivery fee, or a transaction fee.

Exigent circumstances. The term "exigent circumstances" means circumstances outside the control of a third-party food delivery service, such as severe weather conditions or natural disasters.

Food delivery worker. The term "food delivery worker" means [a] any natural person or organization composed of no more than 1 natural person, whether or not incorporated or employing a trade name, who is [hired or] retained [as an independent contractor] by [a food service establishment, as an independent contractor of] a third-party food delivery service or [as an independent contractor of] a third-party courier service[, as defined in section 20-1501,] to deliver [food or beverage from such establishment to a consumer] goods from a business to a customer in exchange for compensation.

Food service establishment. The term "food service establishment" means a business establishment located in the city where food is provided for individual portion service directly to the consumer whether such food is provided free of charge or sold, and whether consumption occurs on or off the premises or is provided from a pushcart, stand or vehicle.

Goods. The term "goods" means 1 or more items, parcels, packages, products, or articles of any type, including but not limited to food, beverages, groceries, or papers.

Gratuity. The term "gratuity" means a sum of money (i) paid voluntarily by a customer [when placing an online order or after delivery of such online order] for an order of goods placed or delivered by, through or with the assistance of a delivery service, (ii) that is in addition to the purchase price of the goods and [other] any mandatory charges such as taxes and fees, (iii) the amount of which the customer may choose, and (iv) that is referred to [on the third-party food delivery platform] by the delivery service as a gratuity, tip or other similar term that would suggest to a reasonable person that the sum, or a substantial portion thereof, would be received by [the food] a contracted delivery worker [delivering goods] in addition to [such food delivery worker's base wage] any compensation from the delivery service.

Grocery delivery worker. The term "grocery delivery worker" means any natural person or any organization composed of no more than 1 natural person, whether or not incorporated or employing a trade name, who is retained by a third-party grocery delivery service to deliver goods from a business to a customer in exchange for compensation.

Internet-based payment system. The term “internet-based payment system” means any mobile application or other internet service that facilitates electronic payments.

Online order. The term “online order” means any order placed by a customer through or with the assistance of a [third-party food] delivery platform, including a telephone order.

Purchase price. The term “purchase price” means the total price of the items contained in an online order that are listed on the menu of the food service establishment where such order is placed. Such term does not included taxes, gratuities and any other fees that may make up the total cost to the consumer of an online order.

Retail food establishment. The term “retail food establishment” means any business establishment located in the city that is licensed as a retail food store or food warehouse pursuant to article 28 of the agriculture and markets law.

Retained. The term “retained” means hired, or retained or engaged, as an independent contractor.

Telephone order. The term “telephone order” means an order placed by a customer through a third-party telephone number.

Third-party courier service. The term “third-party courier service” means a service that (i) facilitates the same-day delivery or same-day pickup of food, beverages or other goods from a food service establishment on behalf of such food service establishment or a third-party food delivery service; and (ii) that is owned and operated by a person other than the person who owns such food service establishment.

[Third-party food delivery] Delivery platform. The term "[third-party food] delivery platform" means the online or mobile platform of the [third-party food] delivery service on which a customer can view [products] goods available for sale and place an online order for [a food service establishment's products] such goods.

Third-party food delivery service. The term "third-party food delivery service" means any website, mobile application or other internet service that:

(i) 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, a food service establishment; and

(ii) that is owned and operated by a person other than the person who owns such food service establishment.

Third-party grocery delivery service. The term “third-party grocery delivery service” means any website, mobile application, or other internet service that: (i) facilitates, offers or arranges for the delivery of goods from a retail food establishment; and (ii) is owned or operated by a person other than the person who owns such retail food establishment.

Third-party telephone number. The term "third-party telephone number" means a telephone number for a food service establishment that is provided by or on behalf of a third-party food delivery service, through which an online order may be placed.

Toilet facility. The term “toilet facility” means a room or space on the premises of a food service establishment or other business that: (i) contains a toilet or urinal and sink or similar washing facility; and (ii) is a dedicated facility for its patrons, or that is a dedicated facility for its employees to the extent such establishment or business does not have a dedicated facility for its patrons.

Transaction fee. The term "transaction fee" means a charge for the processing of a payment for an online order imposed upon a third-party food delivery service either by:

(i) a credit card issuer or

(ii) an internet-based payment system.

§ 3. Section 20-563.1 of the administrative code of the city of New York, as added by local law number 100 for the year 2021, is amended to read as follows:

§ 20-563.1 License. a. License required. It shall be unlawful for any person to operate a [third-party food] delivery service without first having obtained a license therefor issued pursuant to this subchapter. All licenses issued pursuant to this subchapter shall be valid for no more than two years and expire on a date the

commissioner prescribes by rule.

b. License application. An application for any license required under this subchapter or for any renewal thereof shall be made to the commissioner in such form or manner as the commissioner shall prescribe by rule, provided that such application shall include, but need not be limited to:

1. The address of the applicant;

2. A list of all websites, mobile applications, or other third-party food delivery platforms, with relevant uniform resource locators, that the applicant uses or plans to use to conduct the business of a third-party food delivery service;

3. An e-mail address that the department can use to send the applicant license application materials, official notifications, or other correspondence; and

4. If the applicant is a non-resident of the city, the name and address of a registered agent within the city upon whom process or other notifications may be served.

c. Fee. There shall be a biennial fee of $200 for a license to operate a third-party food delivery service.

§ 3. Section 20-563.2 of the administrative code of the city of New York, as amended by local law number 110 for the year 2021, is amended to read as follows.

§ 20-563.2 Issuance of license and certain restrictions on third-party food delivery service conduct.

a. A license to operate a [third-party food] delivery service shall be granted in accordance with the provisions of this subchapter and any rules promulgated by the commissioner thereunder.

b. Restrictions on third-party food delivery service operations.

1. It shall be unlawful for a third-party food delivery service <u>or third-party grocery delivery service</u> to solicit a gratuity for a food delivery worker <u>or grocery delivery worker</u> [hired,] retained [or engaged] by such third-party food delivery service <u>or third-party grocery delivery service</u> from a customer in connection with an online order unless such third-party food delivery service <u>or third-party grocery delivery service</u> discloses, in plain language and in a conspicuous manner, the following information before or at the same time as such

gratuity is solicited:

(i) The proportion or fixed amount of each gratuity that is distributed to a food delivery worker or grocery delivery worker who delivers the goods purchased; and

(ii) How gratuities are distributed to a food delivery worker or grocery delivery worker, including whether such gratuities are distributed immediately or otherwise, and whether such gratuities are distributed in cash or otherwise.

2. For each transaction, a food delivery worker or grocery delivery worker [hired,] retained [or engaged] by a third-party food delivery service or grocery delivery service shall be notified of how much the customer paid gratuity, if such customer paid additional gratuity, and if such customer decided to remove the gratuity and the reason for such removal, if such a reason is provided. Upon any change or payment of gratuity, a third-party delivery service or third-party grocery delivery service shall notify such food delivery worker or grocery delivery worker and credit such gratuity to such worker's account.

3. A third-party food delivery service or third-party grocery delivery service shall disclose to a food delivery worker or grocery delivery worker [hired,] retained [or engaged] by such third-party food delivery service or third-party grocery delivery service, the aggregate amount of compensation and aggregate amount of gratuities earned by such food delivery worker or grocery delivery worker on the day after such compensation and gratuities were earned.

§ 4. Section 20-563.8 of the administrative code of the city of New York, as amended by local law number 110 for the year 2021, is amended to read as follows:

§ 20-563.8 Records. a. Every third-party food delivery service and third-party grocery delivery service required to be licensed under this subchapter shall maintain the following records in an electronic format for a period of at least three years:

1. A roster of all food service establishments or retail food establishments the third-party food delivery service or third-party grocery delivery service lists on its website, mobile application, or other [third-party

food] delivery platform and has listed on such website, mobile application, or other [third-party food] delivery platform;

2. All written agreements with a food service establishment or a retail food establishment;

3. Records listing itemized fees the third-party food delivery service or third-party grocery delivery service has charged each food service establishment or retail food establishment with which the third-party food delivery service or third-party grocery delivery service maintains an agreement;

4. Such records related to the ownership of the third-party food delivery service or third-party grocery delivery service as the commissioner may prescribe by rule; and

5. [Records demonstrating compliance with the requirements set forth in subdivisions c, d and e of section 20-563.2 of this subchapter; and

6.] Such other records as the commissioner may prescribe by rule.

b. All records required by this section or by the commissioner by rule shall be made available to the department electronically upon request, consistent with applicable law and in accordance with rules promulgated hereunder and with appropriate notice.

§ 5. Section 20-563.10 of the administrative code of the city of New York, as added by local law number 100 for the year 2021, is amended to read as follows:

§ 20-563.10 Enforcement, civil penalties and restitution.

a. Any person who violates, or causes another person to violate, a provision of this subchapter or any rule promulgated pursuant thereto, shall be subject to a civil penalty that shall not exceed $500 for each violation, except that a person that violates any provision of section 20-563.3 or any rule promulgated pursuant thereto shall be subject to a civil penalty that shall not exceed $1,000 for each violation. Violations by third-party food delivery services and third-party grocery delivery services under this subchapter shall accrue on a daily basis for each day and for each food service establishment or retail food establishment with respect to which a violation of this subchapter or any rule promulgated pursuant to this subchapter was committed. The

department may also recover restitution on behalf of any food service establishment or retail food establishment harmed by a violation of this subchapter or any rules promulgated pursuant to this subchapter by a third-party food delivery service or third-party grocery delivery service. A proceeding to recover any civil penalty or restitution authorized pursuant to this subchapter may be brought in any tribunal established within the office of administrative trials and hearings or within any agency of the city designated to conduct such proceedings.

§ 6. Section 20-563.11 of the administrative code of the city of New York, as added by local law 100 for the year 2021, is amended to read as follows:

§ 20-563.11 Enforcement by corporation counsel.

a. A civil action may be brought by the corporation counsel on behalf of the city in any court of competent jurisdiction to recover any or all of the following:

1. Civil penalties authorized by this section;

2. Injunctive relief to restrain or enjoin any activity in violation of this subchapter;

3. Restitution in an amount not to exceed the amount of fees collected by a third-party food delivery service in excess of the maximum amounts permitted pursuant to this subchapter;

4. Attorneys' fees and costs, and such other remedies as a court may deem appropriate.

b. 1. Where reasonable cause exists to believe that a [third-party food] delivery service is engaged in a pattern or practice of violations of this subchapter, the corporation counsel may commence a civil action on behalf of the city in a court of competent jurisdiction.

2. A civil action pursuant to paragraph 1 of this subdivision shall be commenced by filing a complaint setting forth facts relating to such pattern or practice and requesting relief, which may include injunctive relief, civil penalties and any other appropriate relief.

3. In any civil action commenced pursuant to paragraph 1 of this subdivision, the trier of fact may impose a civil penalty of not more than $25,000 for a finding that a [third-party food] delivery service has engaged in a pattern or practice of violations of this subchapter. Any civil penalty so recovered shall be paid

into the general fund of the city.

c. The corporation counsel may initiate any investigation to ascertain such facts as may be necessary for the commencement of a civil action pursuant to this section, and in connection therewith shall have the power to issue subpoenas to compel the attendance of witnesses and the production of documents, to administer oaths and to examine such persons as are deemed necessary.

d. Nothing in this section prohibits a person alleging a violation of this subchapter from filing a civil action pursuant to section 20-563.12 based on the same facts as a civil action commenced by the corporation counsel pursuant to this section.

§ 7. Section 20-563.13 of the administrative code of the city of New York, as added by local law number 100 for the year 2021, is amended to read as follows:

§ 20-563.13 Outreach. [No more than 60 days after the effective date of this local law, and continuing for 90 days thereafter, the] The commissioner, in collaboration with relevant agencies, shall conduct culturally appropriate outreach in the designated citywide languages, as defined in section 23-1101, to alert food service establishments, retail food establishments and [third-party food] delivery services to the requirements of this subchapter. Such outreach shall include, but need not be limited to, posting information on relevant agency websites and distributing information to food service establishments, retail food establishments [third-party food] delivery services and other relevant stakeholders.

§ 8. This local law takes effect 180 days after it becomes law.

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