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Int. No. 1135-A

By Council Members Nurse, Gutiérrez, Hanif, Cabán, Ossé, Rivera, Restler, Brewer, Abreu, Hudson, Avilés, Feliz, De La Rosa, Marte, Joseph and Banks

A Local Law to amend the administrative code of the city of New York, in relation to minimum payments to grocery delivery workers

Be it enacted by the Council as follows:

Section 1. Legislative findings. The council hereby finds that grocery delivery workers hired, retained, or engaged as independent contractors by third-party grocery delivery services to deliver groceries and other goods from grocery stores and other retail food establishments perform work that is substantially similar to the work performed by food delivery workers hired, retained, or engaged as independent contractors by third-party food delivery services and third-party courier services to deliver food items from food service establishments, and that the working conditions for such grocery delivery workers are substantially similar to the working conditions for such food delivery workers. Both grocery delivery workers and food delivery workers transport, carry, or otherwise enable the conveyance of groceries and similar goods, such as meals, from businesses or other locations directly to customers in New York City. Third-party grocery delivery services, third-party food delivery services, and third-party courier services usually classify both grocery delivery workers and food delivery workers as independent contractors, and thus, both grocery delivery workers and food delivery workers do not receive the same minimum wage and benefits to which they would be entitled if such services classified such workers as employees.

In addition, the council finds that, like a food delivery worker, and unlike a worker performing similar work who is classified as an employee, a grocery delivery worker does not receive workers' compensation

benefits from a third-party grocery delivery service that hires, retains, or engages such worker as an independent contractor. The department of consumer and worker protection determined the workers' compensation component of the minimum pay rate for food delivery workers based on the value of the workers' compensation benefits received by delivery workers in New York State who are classified as employees, and provided an adjustment to account for differences in certain federal benefits for employees and independent contractors.

The council finds that food delivery workers and grocery delivery workers incur similar expenses necessary to perform their work that third-party grocery delivery services, third-party food delivery services, and third-party courier services usually do not reimburse, such as the cost of a vehicle or other mode of transportation to deliver goods, and mobile phone expenses. The council finds that phone-related expenses for a food delivery worker are substantially similar to the phone-related expenses for a grocery delivery worker. Although the frequency and necessity of the use of motor vehicles among grocery delivery workers may be higher than such use by food delivery workers, the council finds that vehicle-related expenses for a grocery delivery worker are at least as great as vehicle-related expenses for a food delivery worker.

The council further finds that, based on these substantial similarities between the work performed by and working conditions of grocery delivery workers and food delivery workers, grocery delivery workers have the same need for minimum pay protections as food delivery workers. The council thus finds that the minimum pay rate that a third-party food delivery service or third-party courier service is required to make to a food delivery worker, pursuant to section 7-810 of title 6 of the rules of the city of New York, is applicable in determining the minimum payments that a third-party grocery delivery service should be required to make to a grocery delivery worker.

The council further finds that because the working conditions for grocery delivery workers are substantially similar to the working conditions for food delivery workers, the method for calculating minimum payments for a food delivery worker set forth in section 7-810 of title 6 of the rules of the city of New York

may be utilized to calculate minimum payments for a grocery delivery worker. The council finds that the department of consumer and worker protection may adjust such method as applied to grocery delivery workers to account for variations in the working conditions of grocery delivery workers as compared to the working conditions of food delivery workers, including variations in policies and procedures of such services related to trip offers or assignments or worker schedules.

These findings do not limit the authority of the department of consumer and worker protection to establish or amend one or more rates or methods for determining the minimum payments required for food delivery workers or grocery delivery workers.

§ 2. Section 20-1501 of the administrative code of the city of New York, as amended by a local law for the year 2025 amending the administrative code of the city of New York, relating to protections for contracted delivery workers, as proposed in introduction number 1133, is amended by adding new definitions of "grocery delivery worker," "retail food establishment" and "third-party grocery delivery service" in alphabetical order to read as follows:

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.

Retail food establishment. The term "retail food establishment" means any business establishment located in the city that is licensed as a food processing establishment pursuant to article 20-C of the agriculture and markets law or as a retail food store or food warehouse pursuant to article 28 of the agriculture and markets law.

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.

§ 3. Subdivision e of section 20-1522 of the administrative code of the city of New York, as added by a local law for the year 2025 amending the administrative code of the city of New York, relating to protections for contracted delivery workers, as proposed in introduction number 1133, is amended to read as follows:

e. [Reserved] A third-party grocery delivery service shall make payments to grocery delivery workers retained by such service that meet or exceed the minimum pay requirements for food delivery workers established by the department pursuant to subdivision a of this section. The department may by rule establish a method for applying such minimum pay requirements to grocery delivery workers that is tailored to the circumstances of such workers, including variations in the working conditions of such workers as compared to the working conditions of food delivery workers.

§ 4. This local law takes effect on the same date that a local law for the year 2025 amending the administrative code of the city of New York, relating to safe delivery device access for contracted delivery workers, as proposed in introduction number 30-B, takes effect.LS #17449(B)
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