

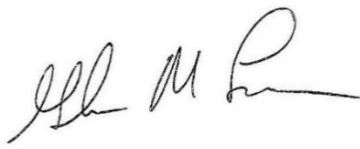
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: November 28, 2022

SUBJECT: Fiscal Impact Statement – Fair Meals Delivery Act of 2022

REFERENCE: Bill 24-228, Draft Committee Print as provided to the Office of Revenue Analysis on November 23, 2022

Conclusion

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

Background

The bill codifies the existing requirement (in effect since February 2021¹) that third-party meal delivery services must have an agreement with a restaurant before delivering a restaurant's food. The bill also codifies the existing cap on fees², which is set at 15 percent of the price of an order.

The bill adds the following new requirements:

- Delivery services cannot use the name or likeness of a restaurant unless it is outlined in the required agreement;

¹ Fair Meals Delivery Emergency Act of 2021, enacted February 26, 2021 (D.C. Act 24-20; 68 DCR 2594), expired May 27, 2021; Fair Meals Delivery Temporary Act of 2021, effective May 13, 2021 (D.C. Law 24-4; 68 DCR 3442), expired December 24, 2021; Fair Meals Delivery Second Emergency Act of 2021, effective December 31, 2021 (D.C. Law 24-250; 68 DCR 14063), expired March 22, 2022; Fair Meals Delivery Second Temporary Act of 2021, effective March 2, 2022 (D.C. Law 24-90; 69 DCR 435), expired October 13, 2022; and Fair Meals Delivery Emergency Act of 2022, effective October 25, 2022 (D.C. Act 24-591; 69 DCR 13912), expiring January 23, 2022.

² Post-Public Health Emergency Protections Extension Emergency Amendment Act of 2022, enacted Oct. 17, 2022 (D.C. Act 24-564, 69 DCR 12656).

The Honorable Phil Mendelson

FIS: Bill 24-228, "Fair Meals Delivery Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on November 23, 2022.

- Delivery services cannot use the agreement to require a restaurant to indemnify them or their independent contractors for any damages that occur once the food leaves the restaurant; and
- Delivery services must disclose, in plain language and in a conspicuous manner, any commission, fee, or other cost to be charged to the customer.

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill continues the existing requirement for meal delivery services to have agreements with restaurants and provides detail on what must be part of those agreements. Food delivery platforms have been subject to the temporary legislation and are subject to similar laws in other jurisdictions, and therefore the bill is not expected to generate enforcement actions which cannot be handled with the existing resources of the Department of Licensing and Consumer Protection.