



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1266

Introduced 1/31/2023, by Rep. Maurice A. West, II

SYNOPSIS AS INTRODUCED:

815 ILCS 338/5
815 ILCS 338/25 new

Amends the Fair Food and Retail Delivery Act. Provides that beginning January 1, 2024, no third-party delivery service may charge a merchant a fee, commission, or charge per order through a digital network that totals more than 15% of the purchase price of the order, unless: (1) the third-party delivery service offers all merchants the option to obtain core delivery services for a fee, commission, or charge not to exceed 15% of the purchase price of the order without requiring the purchase of additional services; and (2) no later than November 1, 2023, the third-party delivery service notifies all merchants that have an existing contract with the third-party delivery service of this option. Defines "core delivery service". Effective immediately.

LRB103 25000 SPS 51334 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Fair Food and Retail Delivery Act is
5 amended by changing Section 5 and by adding Section 25 as
6 follows:

7 (815 ILCS 338/5)

8 Sec. 5. Definitions. As used in this Act:

9 "Agreement" means a written agreement between a merchant
10 and a third-party delivery service.

11 "Core delivery services" means services provided by a
12 third-party delivery service that: (i) lists a merchant and
13 makes the merchant discoverable on all modalities or platforms
14 offered by the third-party delivery service, including, but
15 not limited to, a website, a mobile application, or other
16 Internet service where a third-party delivery service lists
17 merchants; and (ii) facilitates or performs the delivery of
18 food or beverages from merchants to customers through
19 employees or independent contractors of the third-party
20 delivery service or merchant. "Core delivery service" does not
21 include any other service that may be provided by a
22 third-party delivery service to a merchant, including, but not
23 limited to, advertising services, search engine optimization,

1 business consulting, or credit card processing.

2 "Customer" means the person, business, or other entity
3 that places an order for a merchant's products through a
4 digital network.

5 "Digital network" means a third-party delivery service's
6 Internet site or online-enabled application, software, or
7 system that allows a customer to view, search, and purchase
8 products for delivery by a third-party delivery service to a
9 customer.

10 "Likeness" means identifiable symbols attributed and
11 easily identified as belonging to a specific merchant or
12 retailer.

13 "Merchant" means a restaurant, bar, or other retail
14 entity.

15 "Third-party delivery service" means a company,
16 organization, person, or entity outside of the operation of
17 the merchant's business, not wholly owned by the merchant,
18 that provides delivery services to customers through a digital
19 network.

20 "Third-party delivery service driver" means an individual
21 that provides delivery services on behalf of a third-party
22 delivery service to customers.

23 (Source: P.A. 102-1056, eff. 1-1-23.)

24 (815 ILCS 338/25 new)

25 Sec. 25. Fee cap for core delivery services. Beginning

1 January 1, 2024, no third-party delivery service may charge a
2 merchant a fee, commission, or charge per order through a
3 digital network that totals more than 15% of the purchase
4 price of the order, unless:

5 (1) the third-party delivery service offers all
6 merchants the option to obtain core delivery services for
7 a fee, commission, or charge not to exceed 15% of the
8 purchase price of the order without requiring the purchase
9 of additional services; and

10 (2) no later than November 1, 2023, the third-party
11 delivery service notifies all merchants that have an
12 existing contract with the third-party delivery service of
13 the option described in paragraph (1).

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.