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|  | **The Council of the City of New York**  **Finance Division**  Latonia McKinney, Director  **Fiscal Impact Statement**  **Proposed Int. No.:** 2333-A  **Committee:** Small Business |
| **Title:**  A Local Law to amend the administrative code of the city of New York, in relation to prohibiting the inclusion of a food service establishment's products on a third-party food delivery platform without a written agreement authorizing such inclusion, and to provide penalties | **Sponsors:** By Council Members Gjonaj, Perkins and Cornegy |
| **Summary of Legislation:** Proposed Int. No. 2333-A would prohibit third-party food delivery services – defined in this bill as any website, mobile application or other internet service that sells and offers delivery or pickup of food and beverages from a food service establishment owned by another entity – from listing food service establishments on their application or website and making deliveries from such establishments, without a written agreement between the delivery service and the establishment. It would also prohibit the delivery services from requiring the establishments, in these written agreements, to indemnify the delivery service or their independent contractors or agents for certain damage that occurs after food or beverages leave the establishment. Violations of this bill would be subject to a civil penalty of not more than $500 per day per establishment with respect to which a violation was committed. The Commissioner of the Department of Consumer and Worker Protection would be required to conduct outreach about the requirements of this bill. | |
| **Effective Date:** This local law would take effect 120 days after it becomes law | |
| **Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2023 | |
| **Fiscal Impact Statement:**   |  |  |  |  | | --- | --- | --- | --- | |  | **Effective FY22** | **FY Succeeding**  **Effective FY23** | **Full Fiscal** Impact FY23 | | **Revenues (+)** | **$0** | **$0** | **$0** | | **Expenditures (-)** | **$0** | **$0** | **$0** | | **Net** | **$0** | **$0** | **$0** | | |
| **Impact on Revenues:** It is estimated that there will be full compliance and no revenue generated from the implementation of this legislation. | |
| **Impact on Expenditures:** It is estimated that there will be no cost from the implementing this legislation as agency can use existing resources. | |
| **Source of Funds To Cover Estimated Costs:** N/A | |
| **Source of Information:**  New York City Council Finance Division | |
| **Estimate Prepared by**: Aliya Ali, Principal Financial Analyst    **Estimate Reviewed by:** Stephanie Ruiz, Assistant Counsel  Nathan Toth, Deputy Director  Crilhien Francisco, Unit Head  **Legislative History:** This legislation was introduced to the full Council as Int. No. 2333 on June 17, 2021 and was referred to the Committee on Small Business (Committee). A hearing was held by the Committee on July 1, 2021, and the legislation was laid over. The legislation was subsequently amended and the amended version, Proposed Int. No. 2333-A, will be voted on by the Committee at a hearing on July 29, 2021. Upon successful vote by the Committee, Proposed Int. No. 2333-A will be submitted to the full Council for a vote on July 29, 2021. | |

**Date Prepared:** July 22, 2021