

SENATE BILL NO. 320—SENATOR NEAL

MARCH 22, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Enacts various provisions relating to food delivery service platforms. (BDR 52-591)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to trade practices; prohibiting a food delivery service platform provider from engaging in certain activities; requiring a food delivery service platform provider to remove a food dispensing establishment from the food delivery service platform of the provider upon request; requiring a food delivery service platform provider to make certain disclosures concerning online food orders; prohibiting a food delivery service platform provider from charging a food dispensing establishment any fees over a certain amount during any period in which a Declaration of Emergency for COVID-19 issued by the Governor remains in effect; establishing certain practices as deceptive trade practices; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

This bill enacts various provisions relating to a food delivery service platform, which is defined in **section 4** of this bill to mean an Internet website, online service or mobile application which allows users to purchase food from multiple food dispensing establishments and arrange for the same-day delivery or same-day pickup of such food. **Section 5** of this bill defines “food delivery service platform provider” as a person who operates a food delivery service platform.

Section 12 of this bill prohibits a food delivery service platform provider from facilitating an online food order involving a food dispensing establishment unless the provider has entered into a written agreement with the food dispensing establishment that expressly authorizes the provider to engage in such activities.

Section 13 of this bill requires a food delivery service platform provider to remove



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a food dispensing establishment from the food delivery service platform of the provider within 48 hours after the receipt of a written request from the food dispensing establishment. **Section 13** provides that a food delivery service platform provider that violates that requirement is subject to a civil penalty of \$500 per day of the violation.

Section 14 of this bill prohibits a food delivery service platform provider from using the likeness, registered trademark or intellectual property of a food dispensing establishment without first obtaining the written consent of the food dispensing establishment. **Section 14** provides that a food delivery service platform provider that violates that prohibition is subject to a civil penalty of \$500 per day of the violation. **Section 15** of this bill authorizes a food dispensing establishment whose likeness, registered trademark or intellectual property was used by a food delivery service platform provider in violation of **section 14** to bring an action against the provider.

Section 16 of this bill requires a food delivery service platform provider to disclose certain information to a user of the platform who engages in an online food order. Among the information required to be disclosed by **section 16** is a statement that indicates a commission is to be paid associated with the online food order. **Section 3** of this bill defines "commission," in general, to mean any fee charged by a food delivery service platform provider to a food dispensing establishment for the use of the services of the provider in effectuating online food orders. **Section 17** of this bill sets forth the procedures by which a food delivery service platform provider may request an alternative manner in which all required information may be disclosed.

On March 12, 2020, Governor Steve Sisolak issued a Declaration of Emergency due to the outbreak of the disease identified by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services as COVID-19. (Declaration of Emergency for COVID-19 (March 12, 2020)) **Section 19** of this bill prohibits, for any period during which a Declaration of Emergency for COVID-19 declared by the Governor of this State remains in effect, a food delivery service platform provider from charging a food dispensing establishment any commission for an online food order that exceeds a certain amount.

Existing law defines various activities involving businesses and occupations that constitute deceptive trade practices. (NRS 598.0915-598.0925) If a person knowingly engages in a deceptive trade practice, the person may be subject to restraint by injunction and the imposition of civil and criminal penalties. (NRS 598.0979, 598.0985, 598.0999) **Sections 18 and 19** of this bill provide that a violation of the provisions of **section 16, 17 or 19** of this bill constitutes a deceptive trade practice.

Sections 3-11 of this bill define words and terms for the purposes of this bill.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 18, inclusive, of this act.

Sec. 2. *As used in sections 2 to 18, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 11, inclusive, of this act have the meanings ascribed to them in those sections.*



1 **Sec. 3. 1.** *“Commission” means any fee or other payment*
2 *of money that is charged by a food delivery service platform*
3 *provider to a food dispensing establishment for the use of the*
4 *services of the food delivery service platform provider in*
5 *effectuating online food orders.*

6 2. *The term includes, without limitation, any annual fee*
7 *charged to a food dispensing establishment for the use of the*
8 *services described in subsection 1.*

9 3. *The term does include any fee that is charged by a food*
10 *delivery service platform provider for services provided as a*
11 *general or indirect cost of doing business, including, without*
12 *limitation, fees for the processing of credit cards or for advertising*
13 *in a restaurant directory.*

14 **Sec. 4.** *“Food delivery service platform” means an Internet*
15 *website, online service or mobile application which allows users to*
16 *purchase food from multiple food dispensing establishments and*
17 *arrange for the same-day delivery or same-day pickup of such*
18 *food.*

19 **Sec. 5.** *“Food delivery service platform provider” means a*
20 *person who operates a food delivery service platform.*

21 **Sec. 6. 1.** *“Food dispensing establishment” means a food*
22 *establishment that prepares and serves food intended for*
23 *immediate consumption. The term includes, without limitation, a*
24 *restaurant. The term does not include a convenience store or a*
25 *grocery store.*

26 2. *As used in this section:*

27 (a) *“Convenience store” has the meaning ascribed to it in*
28 *NRS 597.225.*

29 (b) *“Food establishment” has the meaning ascribed to it in*
30 *NRS 446.020.*

31 (c) *“Grocery store” has the meaning ascribed to it in*
32 *NRS 597.225.*

33 **Sec. 7.** *“Food purchase price” means the portion of the total*
34 *online food order price that is attributable to the amount charged*
35 *by the food dispensing establishment for the food.*

36 **Sec. 8.** *“Likeness” means any identifiable symbol attributed*
37 *and easily identified as belonging to a specific food dispensing*
38 *establishment.*

39 **Sec. 9.** *“Online food order” means a transaction in which a*
40 *user, through a food delivery service platform, purchases food*
41 *from a food dispensing establishment and arranges for the same-*
42 *day delivery or same-day pickup of such food.*

43 **Sec. 10.** *“Total online food order price” means the total*
44 *amount paid or to be paid by a user as a result of an online food*
45 *order.*



1 **Sec. 11.** *“User” means a person who uses a food delivery*
2 *service platform to engage in an online food order.*

3 **Sec. 12.** *A food delivery service platform provider shall not*
4 *facilitate an online food order involving a food dispensing*
5 *establishment, including, without limitation, arranging for the*
6 *same-day delivery or same-day pickup of food prepared by a food*
7 *dispensing establishment, unless the food delivery service platform*
8 *provider has entered into a written agreement with the food*
9 *dispensing establishment that expressly authorizes the food*
10 *delivery service platform provider to engage in such activities.*

11 **Sec. 13.** 1. *A food dispensing establishment may, at any*
12 *time, submit a written request to a food delivery service platform*
13 *provider directing the provider to remove the food dispensing*
14 *establishment from the food delivery service platform. If the food*
15 *delivery service platform has appointed a registered agent located*
16 *in this State, the request must be submitted to the registered agent.*

17 2. *A food delivery service platform provider that receives a*
18 *request submitted pursuant to subsection 1 shall confirm receipt*
19 *of the request and remove the food dispensing establishment from*
20 *the food delivery service platform within 48 hours after receipt of*
21 *the request.*

22 3. *A food delivery service platform provider who violates the*
23 *provisions of subsection 2 is subject to a civil penalty of \$500 per*
24 *day of the violation, and each day’s continuance of the violation*
25 *constitutes a separate and distinct violation.*

26 **Sec. 14.** 1. *A food delivery service platform provider shall*
27 *not use the likeness, registered trademark or intellectual property*
28 *of a food dispensing establishment unless the food delivery service*
29 *platform provider first obtains the written consent of the food*
30 *dispensing establishment.*

31 2. *A food delivery service platform provider who violates the*
32 *provisions of subsection 1 is subject to a civil penalty of \$500 per*
33 *day of the violation, and each day’s continuance of the violation*
34 *constitutes a separate and distinct violation.*

35 **Sec. 15.** 1. *A food dispensing establishment whose likeness,*
36 *registered trademark or intellectual property was used by a food*
37 *delivery service platform provider in violation of section 14 of this*
38 *act may bring an action against the food delivery service platform*
39 *provider in any court of competent jurisdiction and may recover*
40 *the sum of \$5,000 or the amount of actual damages sustained,*
41 *whichever is greater.*

42 2. *If the food dispensing establishment prevails in the action,*
43 *the court may award such punitive damages and equitable relief as*
44 *the court determines to be proper.*



Sec. 16. 1. Before an online food order is consummated with a user, the food delivery service platform provider must disclose to the user the following information in plain language and in a conspicuous manner:

(a) The total online food order price;

(b) Each portion of the total online food order price that is attributable to:

(1) The food purchase price;

(2) Any sales tax or other tax;

(3) Any delivery fee or service fee charged to the user by the food delivery service platform provider or food dispensing establishment; and

(4) Any gratuity to be paid to the person who delivers the food; and

(c) A statement that indicates that a commission is to be paid by the food dispensing establishment in connection with the online food order. The statement must include a disclosure of the average commission expressed as the highest possible percentage of the aggregate food purchase price on deliveries by the food delivery service platform provider for the food dispensing establishment in this State.

2. If, after the consummation of an online food order, the user is provided with a receipt for the online food order, the information required to be disclosed pursuant to paragraphs (a) and (b) of subsection 1 must be set forth on the receipt in plain language and in a conspicuous manner.

Sec. 17. If a food delivery service platform provider determines that it is not feasible to disclose the information required pursuant to section 16 of this act in the manner provided in that section, the provider may submit a request to the Commissioner of Consumer Affairs to disclose the information in an alternative manner. Such a request must include, without limitation, a proposal for an alternative manner in which to disclose the information required pursuant to section 16 of this act and any other information the Commissioner deems necessary. If the Commissioner approves the request, the food delivery service platform provider may disclose the information required pursuant to section 16 of this act in the manner set forth in the approved request.

Sec. 18. A person who knowingly violates section 16 or 17 of this act is deemed to have committed a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.

Sec. 19. 1. During any period in which a Declaration of Emergency issued by the Governor of the State of Nevada due to the outbreak of the disease identified by the Centers for Disease Control



1 and Prevention of the United States Department of Health and
2 Human Services as COVID-19 remains in effect, a food delivery
3 service platform provider shall not charge a food dispensing
4 establishment a commission for an online food order that exceeds 20
5 percent of the food purchase price of the online food order, plus a
6 credit card processing fee. A food dispensing establishment may
7 agree in writing to pay a food delivery service platform provider a
8 commission that exceeds the limit established in this subsection to
9 obtain optional products or services, including, without limitation,
10 advertising, marketing or access to customer subscription programs.

11 2. A food delivery service platform provider shall not reduce
12 the compensation rates paid to any person who delivers food for the
13 provider or garnish the gratuities of such a person as a result of this
14 section.

15 3. A person who knowingly violates this section is deemed to
16 have committed a deceptive trade practice for the purposes of NRS
17 598.0903 to 598.0999, inclusive.

18 4. As used in this section:

19 (a) “Food delivery service platform provider” has the meaning
20 ascribed to it in section 5 of this act.

21 (b) “Food dispensing establishment” has the meaning ascribed
22 to it in section 6 of this act.

23 (c) “Food purchase price” has the meaning ascribed to it in
24 section 7 of this act.

25 (d) “Online food order” has the meaning ascribed to it in section
26 9 of this act.

