



CHANGES TO FOOD DELIVERY COMMISSIONS

Vendors' base commissions will be capped at 15% during the COVID-19 Pandemic.

Restaurants in Edina are facing hardship due to the impact of the COVID-19 pandemic. Customers have options to order food directly from a restaurant or to use a third-party delivery vendor. The convenience of using the third-party delivery vendor comes at increased prices for the consumer and decreased revenue for the restaurant. Under current regulations, the customer is not always aware of these fees and commissions. This new temporary regulation intends to improve business conditions for restaurant operators in Edina.

About the Temporary Emergency Regulation

- Effective January 11, 2021
- Will expire at conclusion of the COVID-19 public health emergency in MN unless withdrawn earlier by City of Edina
- Follows a model used by other cities around the U.S.
- Same as a temporary regulation enacted by City of Minneapolis in December 2020

Benefits for Restaurant Operators

- Reduce the commission withheld by third-party delivery vendors
- Improve business operating conditions
- Retains choice about how to work with third-party delivery vendors
- Prevent business failures and vacant sites in commercial buildings

Benefits for Consumers

- Increased transparency
- Complete information about the fees and commissions charged for their transaction
- Retains consumer choice about which businesses to support

Enforcement

- Enforced base on complaints of violation by restaurant operators or delivery drivers
- Enforced by City of Edina, Division of Health
- Contact the City's Community Health Division at 952-826-0370 to file a complaint

New Regulations for Third-Party Delivery Vendors

- Commission withheld from restaurant shall not exceed 15% of purchase price
- Allows for additional fees charged to restaurant for optional products and services
- Compensation paid to delivery driver shall not be reduced due to this Regulation
- Customer must be made aware of any commission, fee or other payment charged to the customer – in plain language and conspicuous manner – prior to the completion of the transaction
- After the transaction is completed, the customer must receive a printed or electronic receipt that includes the dollar amount of the following written in plain and simple language in a conspicuous manner:
 - Menu price of each food & beverage item purchased
 - Sales or other tax charged
 - Delivery and service charges paid by the customer
 - Tip/gratuity paid to the delivery person and not retained by the vendor
 - Any commission withheld by the vendor and not paid to the restaurant due to this transaction, but not including agreed-upon higher commission or fee due to optional additional services or products provided by the vendor
- No fee shall be charged to a restaurant for telephone orders that do not result in a completed transaction