

SENATE STUDY COMMITTEE ON FOOD DELIVERY APPLICATIONS

A brief explanation of origin.

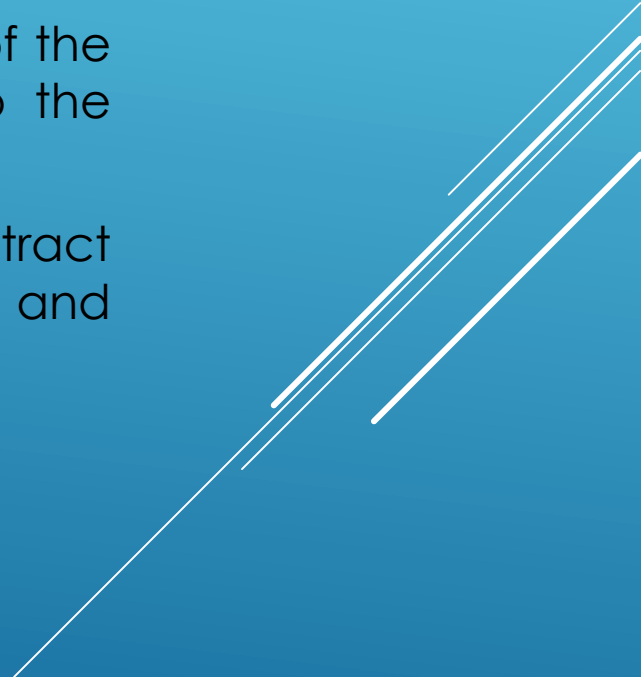
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STUDY COMMITTEE PURPOSE

The Senate Study Committee on Food Delivery Applications was created by Senate Resolution 428.

The resolution creates and tasks the committee with undertaking a study of the conditions, needs, issues, and problems centered around or related to the delivery of food using computer and phone applications.

The resolution explains that food delivery app business practices, contract liabilities, commissions and fees are not transparent to restaurants and consumers, and should therefore be the subject of a study committee.

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PREVIOUS LEGISLATIVE ACTION

- In 2021, Senator Elena Parent introduced SB 205.
- This bill prohibited a third-party food delivery platform (or app) from:
 - charging a covered establishment fee totaling more than 15 percent of the purchase price of an online order, during a public health state of emergency; or
 - reducing the compensation paid to a third party food delivery person as a result of the required cap on covered establishment fees. * See bill summary for further details.

SENATE COMMITTEE REVIEW OF SB 205

SB 205 was assigned the Senate Committee on Agriculture and Consumer Affairs. The bill was presented on February 25, 2021 and there was significant discussion by the committee members and attendees.

The committee expressed interest in the various topics that surfaced and recommended that a study committee be established for further researching the topics that emerged.

Some of the concerns raised included:

- Cancelled or delayed orders are often times the result of the apps functionality, but the restaurants are almost always blamed;
- Delivery personnel consuming orders (especially deserts), which results in losses/chargebacks to the restaurants;
- Delivery personnel choosing not to delivery certain orders because the preassigned tips were low;
- Misrepresentation of which restaurants coordinate with 3rd party apps.

ANTICIPATED STUDY COMMITTEE SCHEDULE

August 23 – First Meeting, Georgia State Capital

Georgia Restaurant Association Members, Public Comment

October 6 – Second Meeting, Georgia State Capital

Third Party Platforms/Apps, Public Comment

November 1- Third Meeting, Georgia State Capital,

Final Meeting/Vote, No testimony or public comment

FURTHER CONTACT

If you are interested in giving testimony or receiving meeting notifications please contact Stephanie.Tanner@senate.ga.gov or Katherine.Russell@senate.ga.gov.