

SENATE, No. 2960

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2020

Sponsored by:
Senator JOSEPH P. CRYAN
District 20 (Union)

SYNOPSIS

Prohibits third-party food takeout and delivery applications from charging restaurants fee for telephone orders.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT prohibiting certain third-party food takeout and delivery
2 application service fees charged to restaurants and
3 supplementing P.L.1960, c.39 (C.56:8-1 et seq.).
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
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8 1. It shall be an unlawful practice and a violation of P.L.1960,
9 c.39 (C.56:8-1 et seq.) for any third-party food takeout and delivery
10 service application or Internet website to charge any restaurant a fee
11 for a telephone order.

12 The provisions of this section shall not be construed to limit the
13 ability of any restaurant to affirmatively elect to pay a fee for a
14 telephone order to access additional advertising or other products
15 and services offered by any third-party food takeout and delivery
16 service application or Internet website if the terms of the agreement
17 for extra services are set forth in simple, clear, understandable, and
18 easily readable terms.

19 As used in this section:

20 “Restaurant” means any establishment primarily engaged in the
21 preparation and sale of food or beverages for consumption on or off
22 the premises.

23 “Telephone order” means an order placed by a customer to a
24 restaurant through a telephone call forwarded by a call system
25 provided by a third-party food takeout and delivery service
26 application or internet website.

27 “Third-party food takeout and delivery service application or
28 Internet website” means any online food ordering and delivery
29 service that allows a consumer to place an order for takeout or
30 delivery from a restaurant.
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32 2. This act shall take effect immediately.
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35 STATEMENT
36

37 This bill makes it an unlawful practice for third-party food
38 takeout and delivery applications or websites to charge a fee for
39 telephone orders to a restaurant.

40 Under the bill, a restaurant may affirmatively elect to pay a fee
41 for telephone orders to access additional advertising or other
42 products and services offered by the third-party food takeout and
43 delivery application or website if the terms of the agreement for
44 extra services are set forth in simple, clear, understandable, and
45 easily readable terms.

46 The bill defines “telephone order” to mean an order placed by a
47 customer to a restaurant through a telephone call forwarded by a
48 call system provided by the third-party application or website. In

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1 addition, the bill defines “third-party food takeout and delivery
2 application or Internet website” to mean any online food order or
3 delivery service that allows a consumer to place an order for takeout
4 or delivery from a restaurant.

5 An unlawful practice under the consumer fraud act, P.L.1960,
6 c.39 (C.56:8-1 et seq.), is punishable by a monetary penalty of not
7 more than \$10,000 for first offense and not more than \$20,000 for
8 any subsequent offense. In addition, a violation may result in a
9 cease and desist order issued by the Attorney General, the
10 assessment of punitive damages, and the awarding of treble
11 damages and costs to the injured.