

HCS HB 1280 -- FOOD DELIVERY PLATFORMS

SPONSOR: Houx

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Small Business by a vote of 17 to 0.

The following is a summary of the House Committee Substitute for HB 1280.

This bill requires a food delivery platform in Missouri to file a certificate of formation or registration with the Secretary of State prior to delivering or picking up an order from a restaurant. The food delivery platform must have the restaurant's consent and a written agreement that specifies any fee that the restaurant is required to pay prior to picking up or delivering an order.

A food delivery platform is prohibited from appearing to sponsor or endorse a restaurant and the food delivery platform may not alter any pricing or change the fee charged to a restaurant for using the delivery service without a written agreement.

The bill requires a food delivery service to remove a restaurant from their platform upon the restaurant's request within 10 days, except as specified in the bill, and a consumer must be provided with a way to express concerns regarding his or her order directly to the food delivery platform.

A restaurant may bring an action to enjoin a violation of these provisions and if the violation is proven the court shall issue an injunction requiring the food delivery platform to pay all profits derived from or damages caused by the wrongful act and order the wrongful act to be terminated. If the court finds that the food delivery platform committed a wrongful act by not having an agreement or written consent with the restaurant then the court may enter a judgment in an amount not to exceed three times the amount of the profits and damages; and award reasonable attorney's fees to the restaurant.

This bill has a delayed effective date of January 1, 2022.

This bill is similar to SB 574 (2021).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill will require food delivery platforms to establish an agreement with restaurants to be

able to deliver their food to consumers. There have been issues when a customer didn't receive their food or the food was cold upon delivery and the restaurant had no idea that a company was delivering the food without their prior knowledge. This will help keep this delivery technique more accountable.

Testifying for the bill were Representative Houx; Missouri Restaurant Association; and the National Restaurant Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say we agree with the intent of the legislation but would like some modifications. The current definition of "food delivery platform" could unintentionally capture other online marketplaces that are used as an errand or event services. We have provided clarifying language.

Testifying on the bill was TechNet.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.