

STATE OF NEW YORK

4927--B

2025-2026 Regular Sessions

IN SENATE

February 14, 2025

Introduced by Sen. RAMOS -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- recommitted to the Committee on Consumer Protection in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to the payment of gratuities for orders placed through third-party food delivery services and third-party grocery delivery services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section
2 391-vv to read as follows:

3 § 391-vv. Third-party food delivery gratuity charge. 1. As used in
4 this section, the following terms shall have the following meanings:

5 (a) "Gratuity" means a sum of money (i) paid voluntarily by a customer
6 when placing an online order or after delivery of such online order,
7 (ii) that is in addition to the purchase price and other mandatory
8 charges such as taxes and fees, (iii) the amount of which the customer
9 may choose, and (iv) that is referred to on the third-party food deliv-
10 ery platform as a gratuity, tip or other similar term that would suggest
11 to a reasonable person that the sum, or a substantial portion thereof,
12 would be received by the worker delivering goods in addition to such
13 worker's base wage.

14 (b) "Third-party food delivery service" shall have the same meaning as
15 in section three hundred ninety-one-v of this article.

16 (c) "Third-party grocery delivery service" means any website, mobile
17 application, or other internet service that facilitates, offers or
18 arranges for the delivery of goods from a business establishment that is
19 licensed as a food processing establishment pursuant to article twenty-C

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 of the agriculture and markets law or as a retail food store or food
2 warehouse pursuant to article twenty-eight of the agriculture and
3 markets law.

4 (d) "Worker" means a natural person who is hired or retained as an
5 independent contractor by a third-party food delivery service or a
6 third-party grocery delivery service to deliver, select, prepare, or
7 assemble orders in exchange for compensation.

8 2. Notwithstanding any other law, rule or regulation to the contrary:

9 (a) All third-party food delivery services and third-party grocery
10 delivery services shall offer the option of paying a gratuity at the
11 same point in the online order process when the underlying order is
12 placed. Such third-party food delivery service or third-party grocery
13 delivery service shall provide such option to pay a gratuity in plain
14 language and in a conspicuous manner before or at the same time such
15 customer places the online order.

16 (b) Nothing herein shall be construed to require a customer to pay a
17 gratuity or to prohibit a third-party food delivery service or third-
18 party grocery delivery service from providing a customer with an addi-
19 tional opportunity to add, remove, or adjust a gratuity after an order
20 is placed.

21 (c) No third-party food delivery service or third-party grocery deliv-
22 ery service shall reduce the compensation, including but not limited to,
23 any tip or gratuity, paid to any worker, as a result of compliance with
24 the provisions of this section.

25 3. Any person that violates the provisions of subdivision two of this
26 section shall be subject to a civil penalty of up to one thousand
27 dollars for each violation. The provisions of this section shall be
28 enforced concurrently by the director or commissioner of a municipal
29 consumer affairs office, or by the town attorney, city corporation coun-
30 sel, or other lawful designee of a municipal or local government, and
31 all moneys collected thereunder shall be retained by such municipality
32 or local government.

33 4. This section shall not annul, alter, impair or affect the laws,
34 ordinances, regulations or rules of local governments that have adopted
35 or amended local laws, ordinances, regulations or rules not inconsistent
36 with this section, including without limitation cities with a population
37 of one million or more, while such local laws, ordinances, regulations
38 or rules remain in effect.

39 § 2. This act shall take effect immediately.