



PATRICK TESTIN STATE SENATOR

DATE: August 8, 2023

RE: **Testimony on Senate Bill 290**

TO: The Senate Committee on Labor, Reg. Reform, Veterans and Military Affairs

FROM: Senator Patrick Testin

Thank you members of the Labor Committee for accepting my testimony on behalf of Senate Bill 290 (SB 290).

The last several years have been a turbulent time for restaurants. They have had to be creative and accept new changes to the industry in order to survive. One way to continue to serve customers was delivery, but not every restaurant could offer delivery services. Third-party delivery services helped to remedy that situation.

Third-party food delivery services are a popular and convenient option for many; however, these companies can currently operate without bearing any responsibility to the restaurants whose food they transport. This can lead to the customer mistakenly blaming the restaurant for errors over which they have no control. Representative Dallman and I authored SB 290 because restaurants should have a right to know and determine when and if their food is delivered.

This bill outlines best practices and creates an environment of transparency that will enable both restaurants and delivery services to thrive. Some of the issues this legislation will address:

- Third-party services must remove a requesting restaurant from their digital network if requested by said restaurant.
- Third-party food delivery services will ensure individuals delivering food know basic food safety principals.
- Third-party services must provide restaurants the contents of an order placed and the time the order was placed.

Wisconsin is not alone in considering this sort of legislation; at least 15 other states have instituted similar requirements. This is an opportunity for Wisconsin to be one of the leaders in ensuring clarity and transparency for both restaurants and food delivery services. Rep. Dallman and I have enjoyed a collaborative dialogue with the industries that this legislation would impact.

SB 290 is legislation that will help the restaurant industry and allow them to use third-party delivery systems as an asset, if they so choose. I hope you will join me in supporting SB 290.



ALEX A. DALLMAN

STATE REPRESENTATIVE • 41ST ASSEMBLY DISTRICT

Testimony in Favor of Senate Bill 290

Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs

August 8th, 2023

Thank you, Chairman Testin and committee members, for allowing me to testify before you concerning Senate Bill 290, which would establish accountability requirements for third-party food delivery services, such as Uber Eats, Doordash, and Instacart. I would also like to thank Senator Testin for his leadership on this legislation.

A major issue that has come to light in the restaurant industry is when delivery and rideshare companies offer public food and drink delivery options, without informing the restaurant. Third-party delivery services are known to list menus from local restaurants on their website and take orders for delivery without establishing that the menu and business hours are up to date, or that the food or drink will arrive promptly. The result often leads to customers having poor experiences or leaving bad reviews with the restaurant, instead of the third-party delivery service who may be at fault.

Restaurants should have the right to know when and if their food is being delivered and customers should be able to expect the same degree of food safety from delivery as they do when dining in at a restaurant.

SB 290 has three requirements:

- Third-party services must remove a requesting restaurant from their digital network if requested by said restaurant
- That food delivery services have knowledge of basic food safety rules
- Third-party services must share data with the restaurant about the content of orders and the times that the orders are placed

I believe this bill is extremely important for our local restaurant owners. It provides transparency and accountability. This bill will help strengthen relationships between local restaurant owners, their customers, and the third-party services that are them bringing together.

Thank you again, Chairman Testin, for the opportunity to testify before this committee today and I would be happy to answer any questions you may have.



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August 8, 2023

TO: Senate Committee on Labor, Regulatory Reform, Veterans and Military Affairs
Senator Pat Testin, Chair

FR: Kristine Hilmer, President and CEO

RE: SB 290 – Third Party Delivery Consent

Thank you, Mr. Chair and members of the committee for hearing our story this morning. We appreciate your time today.

As restaurants were forced to close to indoor dining in March of 2020, some restaurants were able to remain open with skeleton crews for carryout and delivery sales. For restaurants where carry out and delivery was not part of their normal business model, these “new” sales provided some cash flow and allowed them to keep a few people employed. Even prior to the pandemic, we saw increasing demand for restaurant delivery and third party delivery companies provided opportunities for restaurants to expand their customer base. We know that many restaurant companies continue to have thriving relationships with third party companies, and while the demand for delivery is not as high as it was in 2021, it is still much higher than 2019 and growing.

However, as any industry grows, especially at a rate that is artificially accelerated due to forces like a pandemic, there are issues and business practices that do emerge that are not beneficial to all restaurants. That is why we are here today regarding putting some parameters in place to level the playing field for restaurants, especially as they try to hang on to their businesses in the post pandemic economy.

The impetus of SB 290 is a set of agreed upon principles developed by the Council of State Restaurant Associations, our partner the National Restaurant Association, and some of the larger, national third party companies. Fourteen states have implemented third party delivery consent laws since 2020 and many more of my colleagues are working towards laws in the remaining states.

This bill contains some basic safeguards for restaurants, which are very important as our industry continues to recover and still allows the third party companies to grow and thrive in Wisconsin.

- A third-party food delivery service shall not list a restaurant’s name, address or logo without consent.
- Food delivery service drivers will have knowledge of basic food safety principles.
- The bill requires third-party delivery services share data with the restaurant about the content of orders and the times that orders are placed.
- There are progressive fines for companies that do not abide by the law, which are enforced by the Department of Agriculture, Trade and Consumer Protection. This is a key component



for our independent restaurant owners. Allowing them to register a complaint with DATCP, rather than retain a lawyer, is crucial in helping them protect their brand and their business and not be bogged down in small claims court.

We appreciate the efforts put forth by Senator Testin and Representative Dallman, and their teams in bringing this bill forward for consideration this session. We urge your support to vote yes and bring this bill to your Senate colleagues for a floor vote this fall.

The Wisconsin Restaurant Association (WRA) represents over 7,000 restaurant locations statewide and represents all segments of the restaurant and hospitality industry. Our membership includes food establishments of all types and sizes, such as seasonal drive-ins, supper clubs, diners, bars, locally owned franchisees, fine-dining, and hotels/resorts. Over 75 percent of our membership are independent restaurants or restaurant groups. Regardless of ownership type, all restaurants are the cornerstones of their neighborhoods and communities. Restaurants not only provide great food, drink, and hospitality, they support schools, teams, charities and churches with fundraising and donations. They provide meeting places to celebrate, mourn and organize, or just provide a safe, tasty meal for a busy family.