

Article 11: Grocery Pricing Transparency Ordinance

(“*Grocery Pricing Transparency Ordinance*”)

added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)

Division 1: Exclusive Digital Discounts Prohibited

(“*Exclusive Digital Discounts Prohibited*”)

added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)

§311.0101 Purpose and Intent

The purpose of this Division is to ensure equitable access to discount pricing for all *consumers*, regardless of their access to or familiarity with digital technology. Under this Division, any *grocery store* that offers or sells *groceries* in the *City of San Diego* and offers *digital discounts*, such as through a mobile or smartphone application, must provide in-store alternatives so *consumers* have access to the *digital discount* with identical pricing for the same *groceries* without the need to use electronic or digital technology, such as smartphone or Internet access. It is not the intent of this Division to prevent *consumers* from engaging with *grocery store* loyalty and rewards programs. Rather, it is the intent of this Division is to prevent discriminatory practices that restrict discounted prices to *consumers* exclusively through the Internet or other electronic methods, and to promote transparency and *consumer* fairness.

(“*Purpose and Intent*” added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)
(Amended 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)

§311.0102 Definitions

For purposes of this Division, defined terms appear in italics. The following definitions apply in this Division:

City of San Diego and *City* have the same meaning as in San Diego Municipal Code section 11.0210.

Consumer means a person who buys *groceries* from a *grocery store*.

Coupon means a voucher, certificate, document, or similar matter entitling the holder to a discount for *groceries*.

Digital discount means a store *coupon*, rebate, or similar publicly available discount offered to *consumers* through digital or electronic means, including websites, mobile or smartphone applications, or QR codes.

Groceries means foodstuffs and household supplies. *Groceries* include packaged food intended for human consumption or for domestic animals normally kept as household pets, produce, meats, poultry, fish, deli products, dairy products, beverages, baked foods, prepared foods, paper and plastic products, diapers, detergents, soaps, other cleaning agents, pharmaceuticals, nonprescription drugs, bandages, female hygiene products, and toiletries.

Grocer means a person or business who operates a *grocery store*.

Grocery store means retail establishments that sell *groceries*. A *grocery store* does not include convenience stores, warehouse clubs, or pharmacies.

(“Definitions” added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)

(Amended 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)

§311.0103 Digital Discount Practices

- (a) Except as provided in San Diego Municipal Code section 311.0105, on or after October 1, 2025, any *grocery store* that:
 - (1) offers publicly available *digital discounts* to *consumers* for the purchase of *groceries* must provide in-store alternatives, so *consumers* have access to the publicly available *digital discount* with identical pricing for the same *groceries* without needing to use a smartphone or the Internet; and
 - (2) has a *digital discount* available to all participants of a loyalty program or rewards program, must provide in-store alternatives, so participants engaging in loyalty or rewards programs have access to the *digital discount* for the same *groceries* without needing to use a smartphone or the Internet.
- (b) The *digital discount* price must be clearly shown where the discounted *groceries* are displayed or on each individual discounted item offered for sale.
- (c) On or after October 1, 2025, *grocery stores* that provide publicly available *digital discounts* must post a sign or notice in a location visible to *consumers* that states the following:

Fair Pricing for All: Your Right to Equal Discounts - Under San Diego law, digital discounts must be available to all consumers and participants of loyalty or rewards programs without needing to use a smartphone or the Internet, and in-store alternatives must be made available. Violations of this law are subject to San Diego Municipal Code section 311.0104.

(“*Digital Discount Practices*” added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)
(Amended 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)

§311.0104 Unlawful Pricing Practices

- (a) The *City* is authorized to pursue violations of this Division as an act of unfair competition within the meaning of section 17200 of the California Business and Professions Code and subject to the remedies and penalties set forth in Division 7, Part 2, Chapter 5 of the California Business and Professions Code, as may be amended.
- (b) The *City* shall give written notice of a violation to a *grocer* prior to initiating an enforcement action.
- (c) Written notices issued by the *City* shall give a *grocer* 15 days to cure any violation.
- (d) No private right of action is intended or created under this Division.

(“*Unlawful Pricing Practices*” added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)
(Amended 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)

§311.0105 Exceptions

This Division does not apply to the following:

- (a) *grocery stores* that operate exclusively online through the Internet and do not have a physical presence in the *City*;
- (b) *digital discounts* offered by or through *grocery store* paid subscription or membership programs; and
- (c) personalized *digital discounts* offered to *consumers* by or through *grocery store* loyalty or rewards programs.

(“*Exceptions*” added 4-30-2025 by O-21946 N.S.; effective 7-29-2025.)
(Amended 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)

§311.0106 Reporting

The *City Manager*, or designated department, shall present to a Council Committee or issue a report, on a biannual basis, communicating any recorded complaints or actions initiated relating to this Division.

(“*Reporting*” added 7-18-2025 by O-21988 N.S.; effective 8-17-2025.)