

CITY OF CHICAGO

RULES



FOOD VENDOR RULES



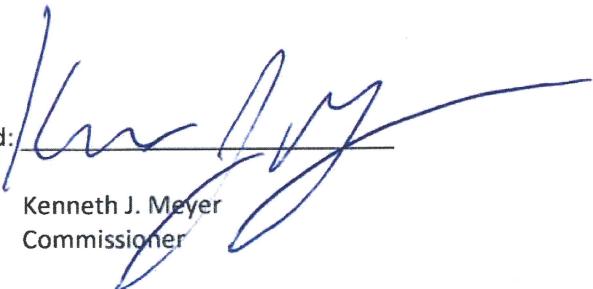
Mayor Brandon Johnson

Commissioner Kenneth Meyer

BY AUTHORITY VESTED IN THE COMMISSIONER OF BUSINESS AFFAIRS AND CONSUMER PROTECTION PURSUANT TO SECTIONS 2-25-090 AND 2-25-120 OF THE MUNICIPAL CODE OF CHICAGO, I ISSUE THE FOLLOWING FOOD VENDOR RULES.

By Order of the Commissioner:

Signed:

A handwritten signature in blue ink, appearing to read "Ken Meyer".

Date: May 31, 2024

Kenneth J. Meyer
Commissioner

Published: May 31, 2024

Effective: July 1, 2024

FOOD VENDOR RULES

DEFINITIONS

As used in these rules, the following terms have the following meanings. The use of the singular includes the plural and plural includes the singular.

“Commissioner” means the Commissioner of Business Affairs and Consumer Protection or the Commissioner’s designee.

“Department” means the Department of Business Affairs and Consumer Protection.

“Food vendor” means any business entity required to be licensed by the Department whose sales of (a) prepared food to order, (b) alcohol sold by the drink, or (c) a combination of both (a) and (b) make up at least 90% of its annual sales. Business entities that may qualify as “food vendors” include, but are not limited to restaurants, taverns, catering vehicles, food trucks, vending machines selling perishable food, and mobile-food dispensers.

“Gratuity” means voluntary monetary contributions to an employee from a guest, patron, customer, or consumer in connection with services rendered .

“Service fee” means a fee that a food vendor collects and passes on to its employees as wages.

“Surcharge” means a fee that a food vendor collects separately from itemized purchases.

FOOD VENDOR REQUIREMENTS

Rule 1 Disclosure of Food Vendor Prices, Service Fees, and Surcharges

Food vendors must clearly and prominently display item prices, service fees, and surcharges at the beginning of the ordering or sales process. This display of item prices, service fees, and surcharges must also specify whether the service fee and/or surcharge are a set dollar amount or a percentage of the bill.

Examples of acceptable surcharges include, but are not limited to:

- non-wage compensation for staff, such as to cover insurance premiums
- operational costs, such as real estate costs and credit card processing fees
- facilitating large groups, such as parties over a specified number of customers
- service, such as dine-in fees, delivery fees, take-out fees, and split bill charges

Food vendors must display service fees and surcharges they collect on all advertising that contain pricing information AND that consumers use IMMEDIATELY prior to engaging in a transaction. Examples include, but are not limited to, paper menus, online menus (including QR code generated menus), free-standing signage within a restaurant, mobile applications, and websites through which orders and payments may be made.

Surcharges may be charged as a lump sum and need not be broken down into their individual components, regardless of whether the surcharge is a set dollar amount or a percentage of the bill.

Rule 2 Disclosure of Service Fee and Surcharge Purpose

Wherever a food vendor lists service fees and surcharges, it shall also list and describe how it will use the fees and surcharges it collects.

Food vendors must explain service fees, surcharges, and their purpose at the request of a consumer.

Rule 3 Disclosure of Service Fee and Surcharge Policies

Food vendors must indicate whether some or all of a service fee or surcharge is mandatory, i.e. whether some or all of it will be removed from a bill at the request of a consumer.

Food vendors may not mislabel a “service fee” or “surcharge” as a “tip” or “gratuity.” Doing so will be considered a deceptive practice as set out in Section 2-25-090 of the Municipal Code. For example, “a party of six or more will be charged an automatic 18% gratuity” is impermissible; rather, “a party of six or more will be charged an 18% service fee” is the appropriate description.

Rule 4 Food Vendor Receipt Requirements

Food vendors must offer their customers the option to receive a paper receipt. Food vendors may also offer their customers the option to receive an electronic receipt (via means such as email, text message, or a smartphone application) in lieu of or in addition to a paper receipt. Any receipt that a food vendor provides must contain, at minimum:

- the date of the transaction,
- the amount of the transaction,
- any service fees or surcharges,
- any applicable taxes, and
- the name and location of the food vendor

Rule 5 Food Vendor Price Marking

Food vendors engaged in the sale of pre-packaged food items or general merchandise are exempt from individually price-marking items offered for sale (e.g., empty beverage containers offered for sale at a coffee-house; t-shirts or hats offered for sale at a restaurant; pre-packaged salads or sandwiches to be eaten offsite). In lieu of price-marking individual items, food vendors engaged in the sale of pre-packaged food items or general merchandise may display a list of products and their prices. Such a list must be clearly legible and include the name and selling price of the item.

Receipt Examples

RECEIPT



DATE
04/15/2024

INVOICE NO
2

BACP BISTRO
121 N. LA SALLE ST
Chicago, IL 60602
312-744-6249

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	Turkey BLT	\$7.50	\$7.50
2	Sparkling Water	\$1.75	\$3.50
1	Lays BBQ Chips	\$2.00	\$2.00
	Surcharge-Take Out	\$3	\$3
	Green Fee 10% (non-mandatory)		\$1.60

Subtotal	\$17.60	
Sales Tax	11.75%	\$2.07
Gratuity	20%	\$3.20
Total		\$22.87

RECEIPT



DATE
04/15/2024

INVOICE NO
2

BACP BISTRO
121 N. LA SALLE ST
Chicago, IL 60602
312-744-6249

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	Café con leche	\$2.50	\$2.50
1	Extra espresso shot	\$1.00	\$1.00
2	Napolitana de chocolate	\$4.00	\$8.00
	Surcharge-Dine In	\$5	\$5

Subtotal	\$16.50	
Sales Tax	11.75%	\$1.94
Gratuity	20%	\$3.30
Total		\$21.74