

ORDINANCE NO. 2024-02

AN ORDINANCE OF THE CITY OF SANTA CRUZ CHAPTER 5.11 “DELIVERY DRIVER TIPPING” AT SECTIONS 5.11.020 “TIPPING OPTION REQUIREMENT: AND 5.11.030 “EXCEPTIONS”

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

SECTION 1. Chapter 5.11 (Delivery Driver Tipping) is hereby amended at Section 5.11.020 and 5.11.030 to read as follows:

“5.11.020 – TIPPING OPTION REQUIREMENT.

- (a) All delivery companies, as defined in Section 5.11.010, operating within the City of Santa Cruz shall offer a tipping option to their customers, either through their website, mobile application, or other means of electronic communication. Companies engaged in the shipping or delivery of products or packages on their own behalf or on behalf of third parties from the point of origin to the final residential destination shall, jointly and severally, be responsible for compliance with this Chapter including, but not limited to third-party contractors such as, for example, Amazon Delivery Service Partners.
- (b) The tipping option shall be prominently displayed and easily accessible to the customer by one or more mechanisms that may include, but are not limited to, any of the following:
 - 1. During the checkout or order placement process;
 - 2. Through a hyperlink in an SMS or e-mail notifying the customer of the delivery status;
 - 3. On printed material affixed to the delivery box or within the package with instructions on how to leave a tip;
 - 4. On an order/delivery tracking page that a customer has access to; or
 - 5. A generally available website that customers are directed to at which a tip can be given for a specific delivery by providing a tracking number or other unique identifier to the delivery company. This website must be easily accessible and discoverable such as, for example, by including its web address and instructions on the delivery company’s packing label.

5.11.030 – EXCEPTIONS.

- (a) This ordinance shall not apply to:
 - 1. Delivery companies with six (6) or fewer employees;
 - 2. Delivery drivers who are independent contractors;
 - 3. Delivery companies or delivery drivers who engage in regular face-to-face interactions with customers including, but not limited to, furniture and appliance deliveries, service calls, installation services and similar transactions.

4. Delivery companies or delivery drivers who are subject to a valid collective bargaining agreement;
5. The United States Postal Service; or
6. Business-to-Business deliveries.
7. Delivery companies or delivery drivers who are engaged in interstate commerce;
8. Any motor carrier holding interstate for hire motor carrier operating authority from the Federal Motor Carrier Safety Administration or any federally certificated air carrier operating under authority granted by the Federal Aviation Administration.

(b) The exceptions in subsection (a) shall not apply to delivery companies that both process consumer goods orders and arrange for transportation in a single transaction.”

SECTION 2. Severability.

If any section or portion of this chapter is found to be invalid by a court of competent jurisdiction, such finding shall not affect the validity of the remainder of the chapter, which shall continue in full force and effect.

SECTION 3. Effective Date

This ordinance shall be in force and take effect on June 9, 2024.

PASSED FOR PUBLICATION this 9th day of January, 2024 by the following vote:

AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson;
Mayor Keeley.

NOES: Vice Mayor Golder.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

ORDINANCE NO. 2024-02

PASSED FOR FINAL ADOPTION this 23rd day of January, 2024 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2024-02 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

Bonnie Bush, City Clerk Administrator