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# CITY OF CHICAGO

## RULES

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### CHICAGO RETAILER'S RULES



Mayor Brandon Johnson

Commissioner Kenneth Meyer

BY AUTHORITY VESTED IN THE COMMISSIONER OF BUSINESS AFFAIRS AND  
CONSUMER PROTECTION PURSUANT TO CHAPTERS 2-25, 4-276, 7-28-637 AND 7-30 OF  
THE MUNICIPAL CODE OF CHICAGO, I ISSUE THE FOLLOWING RULES REGARDING  
RETAILERS.

By Order of the Commissioner:

Signed: \_\_\_\_\_

Date:

Kenneth J. Meyer  
Commissioner

Published:  
Effective:

DRAFT OF PROPOSED RULES

## DEFINITIONS

As used in these rules, the following terms are defined below. The use of the singular includes the plural and plural includes the singular.

**“Alternative Price System” or “APS”** means a system designed to inform consumers of the actual purchase price of an item.

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

**“Consumer”** means any individual who purchases or contracts for the purchase of merchandise or prepared food not for the resale in the ordinary course of trade or business but for personal use. Consumers include restaurant patrons.

**“Consumer commodities”** mean consumer items that are "used up" and replaced by consumers on a regular basis. For example, a carton of milk or a package of trash bags is regularly used up, and when a consumer runs out of such an item, the consumer buys more. On the other hand, a plastic hairbrush or cooking utensil is not a consumer commodity as it is not replaced on a regular basis.

Consumer commodities include, but are not limited to, the following items, however packaged or contained:

- (1) Food, beverages (including liquor), other items intended for consumption by humans or animals and all substances or ingredients to be added to food;
- (2) Paper, metal, and plastic products, including, but not limited to, napkins, facial tissues, toilet tissues, foil wrap, plastic wrap, paper toweling, wrapping paper, cordage, disposable diapers, and disposable plates;
- (3) Detergents, solvents, waxes, soaps and other cleansing agents, sponges and similar cleaning accessories, and lubricants;
- (4) Non-prescription drugs and personal care items, the latter of which includes female hygiene products, bandages, and toiletries;
- (5) Household products, including light bulbs, batteries, camera supplies, candles, tape, and adhesives.

Consumer commodities do **not** include:

- (1) Unpackaged fresh produce;
- (2) Individual items under three cubic inches in size;
- (3) Individual items weighing less than three ounces;
- (4) Individual items priced under fifty cents; and
- (5) Prepared food and beverages (including liquor), intended for human consumption and which are prepared at or consumed at a “restaurant” as defined in these rules.

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

**“Department store”** means a large retailer that sells an extensive and varied range of merchandise under the same roof, with various categories of merchandise generally displayed in discrete areas of the establishment.

**“Establishment”** means each separate retail location, whether or not affiliated with any other retail location, where merchandise is offered for sale to the public, including wholesalers, bulk sellers, and private membership sellers of merchandise direct to consumers.

**“Food vendor”**-means any establishment required to be licensed by the Department whose sales of prepared food to order, or alcohol sold by the drink, or a combination of both make up at least 90% of its annual sales. Food vendors include but are not limited to restaurants, bars/taverns, catering vehicles, and mobile-food dispensers.

**“Large Stores”** means establishments with three or more registers.

**“Overcharge”** means the price scanned or charged for an item is more than the lowest advertised, quoted, posted, or marked price.

**“Price”** means the amount stated in U.S. dollars and cents asked or charged for an item.

**“Printed advertisement”** means printed material sent or made available to consumers *outside* of the establishment’s location, such as weekly mailed flyers or hand-distributed sales flyers. It does not include in-establishment signage or in-establishment sales signs.

**“Retailer”** means any establishment required to be licensed by the Department which offers goods for sale with the exception of any retail food establishment whose sales of food prepared to order, or alcohol sold by the drink, or a combination of both make up at least 90% of its annual sales.

**“Sale items”** means goods offered by the seller for less than the regular price.

**“Sales dates”** means the beginning and ending dates of any sales advertisement.

**“Service fee”** and **“surcharge”** mean fees collected to pay for services related to the purchase of prepared food and beverages at a food vendor. The charge is typically added at the time of the transaction. These charges may cover services rendered to a consumer, or they may cover administrative or processing costs of a food vendor.

**“Small stores”** means establishments with one or two registers.

**“Specialty establishment”** means an establishment designated by the Commissioner at which annual in-person establishment sales of *consumer commodities* are 10% or less of the establishment’s total annual sales.

**“Unit price”** means the price of individual consumer commodities, calculated by dividing the total selling price by the total count, measure or weight of the individual item.

- b. Annual supply costs, including but not limited to, the purchase of seals; plus
- c. Amortized equipment costs, including but not limited to, equipment required to measure and test accuracy of devices; plus
- d. Travel costs related to inspecting and sealing.

The procedure to determine the City's reasonable costs will include the actual dollar amount attributed to each of the above factors.

If at any time the City's Reasonable Costs of Administration exceed the sum total of inspection fees collected pursuant to Rule 51 (Fees), the Commissioner may increase the fees to make the Inspection and Sealing of weights and measures self-funding.

## **SECTION X                      FOOD VENDOR REQUIREMENTS**

### **Rule 53                      Disclosure of Food vendor Prices, Service Fees, and Surcharges.**

Item prices, service fees and surcharges collected by a food vendor must be clearly and prominently displayed at the beginning of the ordering or sales process.

Examples of service fees and surcharges include, but are not limited to, fees added to a bill which the food vendor may use for its own purposes, such as compensation for staff (salaries, fringe benefits); operational costs (costs of food preparation, real estate related costs, training costs); payment processing (spilt bill charge, credit card processing); facilitating large groups (dining parties of a specific size); and service (dine-in fees, delivery fees, take-out fees).

Service fees and surcharges collected by a food vendor must be displayed on all advertising mediums that contain pricing information used by a consumer 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, websites through which payment can be made.

### **Rule 54                      Intended use of Food vendor Services Fees and Surcharges.**

Wherever service fees and surcharges are listed, their intended use shall also be listed and described.

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

Food vendors must indicate what percentage if any of a service fee or surcharge is mandatory.

Food vendors must indicate what percentage of any service fee or surcharge will be paid to employees in general or specifically waitstaff.

### **Rule 55                      Food vendor Receipt Requirements.**

A food vendor must supply a written itemized receipt containing at a minimum the date of the transaction, the amount of the transaction, any fees or surcharges, any applicable taxes and the name and location of the food vendor.

The receipt can be offered via paper or electronic methods. Examples of acceptable electronic receipt delivery methods are e-mail, text message, or a smartphone application.

A food vendor must always give a customer a receipt. However, within this requirement, the food vendor may choose to offer the customer the option to elect to receive a paper receipt, an electronic receipt, or no receipt at all.

#### **Rule 56**

##### **Food vendor Price Marking.**

Food vendors that contain minimal “to-go” sections of pre-packaged food or non-consumer commodity merchandise are exempt from individually price marking items offered for sale. In lieu of price-marking, they can display a list of products and their prices. Such a sign must be clearly and legibly hand printed, typewritten, computer-generated or displayed on an electronic screen and include the following: the name of the item and the selling price of the item.