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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3794

02/26/2026 Authored by Greenman, Koegel, Kozlowski, Pursell, Rehrauer and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

A bill for an act

relating to commerce; prohibiting surveillance-based price and wage discrimination; proposing coding for new law in Minnesota Statutes, chapter 325D.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[325D.141] PROHIBITION ON SURVEILLANCE-BASED PRICE AND WAGE DISCRIMINATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Automated decision system" means a system, software, or process that uses computation, the result of which is used to assist or replace human decision-making. Automated decision system includes a system, software, or process derived from machine learning, statistics, or other data-processing or artificial-intelligence techniques. Automated decision system does not include passive computing infrastructure.

(c) "Behaviors" means an individual's observable, measurable, or inferred actions, habits, preferences, interests, or vulnerabilities, including the individual's political, personal, or professional affiliations, web-browsing history, IP addresses used, locations frequented, purchase history, financial circumstances, consumer behaviors, or inferences associated with a group, band, class, or tier of individuals in which the individual belongs.

(d) "Biometrics" means data or information that is generated by technologically processing, measuring, or analyzing a consumer's or worker's biological, physical, or behavioral characteristics from which data or information can be processed for the purpose of uniquely identifying an individual. Biometrics includes:

(1) a fingerprint;

(2) a voiceprint;

(3) a scan or record of an eye retina or iris;

(4) a facial map, facial geometry, or facial template;

(5) genetic information; or

(6) other unique biological, physical, or behavioral patterns or characteristics.

(e) "Consumer" means an individual who buys goods for personal, family, or household purposes.

(f) "Genetic information" has the meaning given in section 13.386, subdivision 1, paragraph (a).

(g) "Individualized" means specific to or inferred about an individual or group, band, class, or tier of individuals that possess particular personal characteristics, behaviors, or biometrics.

(h) "Insurer" means an insurance company as defined under section 60A.02, subdivision 4.

(i) "Personal characteristics" means individual qualities, features, attributes, or traits, including immutable characteristics such as race and eye color; mutable characteristics such as address, weight, citizenship, or parenthood status; and any other personal identifying information that could be used to uncover an individual's identity, including a Social Security number, full name, or phone number.

(j) "Price" means the amount charged to a consumer in relation to a transaction, including all related costs, fees, and other material terms of the transaction that have a direct bearing on the amount paid by the consumer or the value of the good or service offered or provided to the consumer.

(k) "Surveillance-based price discrimination" means using an automated decision system to inform individualized prices based on surveillance data regarding a consumer.

(l) "Surveillance-based wage discrimination" means using an automated decision system to inform individualized wages based on surveillance data regarding a worker.

(m) "Surveillance data" means data obtained through observation, inference, or surveillance of a consumer or worker that is related to personal characteristics, behaviors,

or biometrics of the individual or a group, band, class, or tier in which the individual belongs. Surveillance data includes information gathered, purchased, or otherwise acquired.

(n) "Wage" means the material terms offered to a worker in exchange for labor, including the amount to be paid for the labor, whether expressed in hourly rate, piece rate, salary, bonuses, commissions and incentives, scheduling, task assignment, or other similar material terms that have a direct impact on earnings.

(o) "Worker" means an individual who performs work on behalf of or for the benefit of an employer as an employee as defined by section 268.035, subdivision 13, an independent contractor, or through another legal relationship.

Subd. 2. **Price discrimination.** (a) A person is prohibited from engaging in surveillance-based price discrimination.

(b) A person does not engage in surveillance-based price discrimination if the person demonstrates:

(1) differential prices are justified based on differences in the cost incurred to provide a good or service to different consumers;

(2) differential prices reflect discounts offered to all consumers on equal terms in a manner consistent with applicable antidiscrimination laws, if:

(i) the terms of the discount are available and accessible to consumers and the public; and

(ii) the discount rewards membership in a particular group, including but not limited to active members of the military, veterans, teachers, students, or seniors; or

(3) the person operates as an insurer and only inputs risk-relevant data into an automated decision system that informs decisions related to the amount a consumer must pay for an insurance policy or contract.

(c) A person has not engaged in surveillance-based price discrimination if the person demonstrates that a refusal to extend credit at specific terms or the refusal to enter into a transaction with a specific consumer is based on data provided in a consumer report covered by the federal Fair Credit Reporting Act, United States Code, title 15, section 1681 et seq.

Subd. 3. **Wage discrimination.** (a) A person is prohibited from engaging in surveillance-based wage discrimination.

(b) A person does not engage in surveillance-based wage discrimination if the person demonstrates:

(1) the person offers individualized wages based solely on:

(i) data specific to the individual worker that is directly related to the tasks the worker was hired to perform; or

(ii) differences in the cost to the worker to provide labor to the person; and

(2) before hiring a worker to perform work, the person discloses in plain language to all workers whose wages are set in whole or in part through an automated decision system what data is considered and how the automated decision system considers the data.

(c) Surveillance-based wage discrimination does not include a person's decision to not hire an individual who has not previously worked for or through the person or the person's affiliates or subsidiaries.

Subd. 4. **Publication of procedures.** A person that uses an automated decision system to assist or replace human decision-making related to wages or prices must develop and publish reasonable procedures:

(1) to ensure the accuracy of all data considered by the automated decision system;

(2) to allow a consumer or worker to correct or challenge the accuracy of data considered by the automated decision system; and

(3) for consumers or workers to request and receive information regarding what data is considered and how automated decision-making considers the data when setting particular prices or wages.

EFFECTIVE DATE. This section is effective August 1, 2026.