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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3980

03/05/2026 Authored by Bahner, Elkins, Feist, Rehrauer and Klevorn The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to consumer protection; requiring certain online platforms to provide
1.3 information pertaining to algorithm use; requiring design transparency and user
1.4 choice; providing civil penalties; authorizing rulemaking; proposing coding for
1.5 new law in Minnesota Statutes, chapter 325M.

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

1.7 Section 1. 325M.35 ONLINE PLATFORM METRICS.

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

1.10 (b) "Accessible user interface" means an interface that requires minimal user interaction,
1.11 including but not limited to clicks, taps, or similar actions, for a user to input data, make a
1.12 choice, or take an action while using a covered online platform.

1.13 (c) "Algorithmic recommender system" means a computational process used to determine
1.14 the selection, order, rank, relative prioritization, or relative prominence of items provided
1.15 to a user on an online platform, including search results, ranking, recommendations, display,
1.16 or another method of automated selection.

1.17 (d) "Covered minor" means a user who a covered business knows or should know, based
1.18 on knowledge fairly implied under objective circumstances, is a minor.

1.19 (e) "Covered business" means a sole proprietorship, limited liability company,
1.20 corporation, association, or other legal entity that owns, operates, controls, or provides a
1.21 covered online platform. Covered business includes a joint venture or partnership composed
1.22 of businesses in which each has at least a 40 percent interest in the joint venture or

2.1 partnership. Covered business does not include a federal, state, Tribal, or local government
2.2 entity in the ordinary course of operations.

2.3 (f) "Covered online platform" means an online platform that:

2.4 (1) conducts business in Minnesota; and

2.5 (2) uses one or more algorithmic recommender systems to determine the selection, order,
2.6 rank, or relative prominence of items provided to a user in whole or in part based on the
2.7 user's personal data, unless the data is:

2.8 (i) based on user-selected settings or technical information concerning the user's device;

2.9 or

2.10 (ii) a search query, provided the query is not associated with the user in the online
2.11 platform's data storage and is only processed to convey items in direct response to the user's
2.12 search.

2.13 (g) "Default" means a preselected option adopted by a covered online platform for a
2.14 specific service, product, or feature.

2.15 (h) "Engagement" means a user interaction with items on a covered online platform.
2.16 Engagement includes clicks; taps; comments; reshares; watching; dwelling; indications of
2.17 approval or disapproval, including but not limited to likes, dislikes, upvotes, or downvotes;
2.18 or any other form of interaction.

2.19 (i) "Engagement data" means information that a covered online platform collects about
2.20 engagement on the platform. Engagement data does not include user survey data.

2.21 (j) "High-value data" means user-provided data or predictions from user survey data
2.22 made by a covered online platform.

2.23 (k) "Holdout group" means a group of covered online platform users that are exempt
2.24 from the application of algorithmic recommender system design changes.

2.25 (l) "Item" means media eligible for display by a recommender system. Item includes
2.26 but is not limited to an individual post, account, group, page, channel, product, advertisement,
2.27 text, image, video, or audio file.

2.28 (m) "Long-term holdout assessment" means a process in which a covered online platform
2.29 maintains a holdout group for a duration of at least 12 months.

2.30 (n) "Long-term user value" means outcomes that align with an individual user's deliberate
2.31 and forward-looking preferences or aspirations, as expressed to a covered online platform
2.32 through high-value data.

3.1 (o) "Long-term user value metrics" means the metrics a covered online platform uses
3.2 to measure long-term user value.

3.3 (p) "Online platform" means a website, online service, online application, or mobile
3.4 application.

3.5 (q) "Personal data" means information, including derived data and unique identifiers,
3.6 that is linked or reasonably linkable, alone or in combination with other information, to an
3.7 identified or identifiable individual or a device that identifies or is linked or reasonably
3.8 linkable to an individual.

3.9 (r) "User" means a user of a covered online platform who is located in Minnesota. User
3.10 does not include a covered online platform operator or a person acting as an agent of the
3.11 covered online platform operator.

3.12 (s) "User-provided data" means the following categories of information collected by a
3.13 covered online platform:

3.14 (1) information expressly and explicitly provided by the user, including user preferences,
3.15 settings, search queries, prompts, and any other information expressly and explicitly provided
3.16 by the user that is not engagement data;

3.17 (2) user survey data;

3.18 (3) indicators or ratings expressly and explicitly selected by the user that are not
3.19 engagement data; or

3.20 (4) other categories of data or more specific definitions of the data in clauses (1) to (3),
3.21 as may be defined by the commissioner of commerce by rule.

3.22 (t) "User survey data" means a user response to questions that a covered online platform
3.23 or a third party acting on the covered online platform's behalf poses to users.

3.24 (u) "Weight" means the individual numeric setting that controls the output of a
3.25 recommender system at a high level across a covered online platform's user base, including
3.26 the relative contributions of different factors to an item's ranking.

3.27 Subd. 2. **Applicability.** (a) The requirements under this section are in addition to and
3.28 do not limit or restrict the application of other Minnesota law, including statutes, regulations,
3.29 and common law. If this section conflicts with one or more other laws, the law that provides
3.30 the greatest protection to the consumer applies.

3.31 (b) Nothing in this section should be construed in a manner inconsistent with the First
3.32 Amendment of the United States Constitution or United States Code, title 47, section 230.

4.1 Subd. 3. **Design transparency.** (a) A covered online platform that deploys an algorithmic
4.2 recommender system must prominently and conspicuously provide on the covered online
4.3 platform's website, service, or application:

4.4 (1) a list of each algorithmic recommender system the covered online platform uses;

4.5 (2) a description of each input to each algorithmic recommender system and the data
4.6 source for each input; and

4.7 (3) the weights used in each algorithmic recommender system, categorized into four
4.8 quartile groups according to each weight's relative importance in contributing to the system's
4.9 output.

4.10 (b) The commissioner of commerce must adopt rules to further clarify the information
4.11 that must be disclosed under paragraph (a).

4.12 (c) A covered online platform must annually disclose the high-level objectives, key
4.13 results, and performance metrics the covered online platform uses to evaluate product teams
4.14 responsible for algorithmic recommender system design.

4.15 Subd. 4. **User choice; defaults.** (a) For all services, products, and features where a
4.16 covered online platform uses an algorithmic recommender system that uses personal data,
4.17 the algorithmic recommender system must be configured, by default, to maximize one or
4.18 more long-term user value metrics.

4.19 (b) A covered online platform must provide an accessible user interface that enables a
4.20 user to expressly and unambiguously communicate the user's preferences regarding the
4.21 types of items recommended and the types of items blocked in the output generated by the
4.22 covered online platform's algorithmic recommender systems. A covered online platform
4.23 must take all reasonable steps to ensure that the output of the covered online platform's
4.24 algorithmic recommender systems is consistent with the user's preferences.

4.25 (c) Unless doing so is necessary to comply with this section or rules adopted pursuant
4.26 to this section, a covered online platform is prohibited from withholding, degrading, lowering
4.27 the quality, or increasing the price of a product, service, or feature for a user as a result of
4.28 the user exercising a right established under this section, including the user selecting an
4.29 algorithmic recommender system option or expressed preference regarding the type of item
4.30 recommended or blocked.

4.31 Subd. 5. **Covered minors.** An algorithmic recommender system that uses personal data
4.32 and is provided by a covered online platform to a covered minor must be configured by
4.33 default to maximize one or more long-term user value metrics applicable to minors.

5.1 Subd. 6. Long-term assessments. (a) A covered online platform must maintain at least
5.2 one holdout group and make all changes to the design of an algorithmic recommender
5.3 system subject to a long-term holdout assessment, under rules adopted under paragraph (c).

5.4 (b) On an annual basis, a covered online platform must make publicly available in an
5.5 easily accessible location a long-term holdout assessment disclosure that includes:

5.6 (1) the covered online platform's long-term user value metrics;

5.7 (2) the aggregate and anonymized measurements for each metric across the holdout
5.8 group or groups; and

5.9 (3) the aggregate and anonymized measurements for each metric across the rest of the
5.10 covered online platform's user base.

5.11 (c) The commissioner of commerce must adopt rules governing the operation of long-term
5.12 holdout assessments under this section. The rules must include:

5.13 (1) requirements for constructing holdout groups when performing long-term holdout
5.14 assessments under this section;

5.15 (2) requirements for long-term holdout assessment disclosures required under paragraph
5.16 (b); and

5.17 (3) in the commissioner of commerce's discretion, an exemption from the long-term
5.18 holdout assessment requirements under this section if a covered online platform changes
5.19 an algorithmic recommender system's design in a manner that reduces or prevents direct
5.20 and immediate harm to users without increasing user engagement or revenue for the covered
5.21 business.

5.22 (d) At least annually, a covered business operating a covered online platform must, at
5.23 the covered business's expense, obtain an independent audit of the long-term holdout
5.24 assessments on the covered business's platform and the long-term holdout assessment
5.25 disclosure. To comply with this paragraph:

5.26 (1) the independent auditor preparing reports must follow inspection and consultation
5.27 practices designed to ensure the reports are comprehensive and accurate; and

5.28 (2) the covered online platform must provide the independent auditor with (i) full and
5.29 complete cooperation, and (ii) access to information and operations required to ensure the
5.30 report is comprehensive and accurate.

5.31 Subd. 7. Enforcement. (a) A covered business that violates this section or rules adopted
5.32 pursuant to this section commits an unfair and deceptive act that violates section 325D.44.

6.1 (b) The attorney general may enforce this section under section 8.31.

6.2 (c) A covered business that violates this section or rules adopted pursuant to this section
6.3 constitute an injury to a user that entitles the user to the remedies available under section
6.4 325D.45 and:

6.5 (1) monetary damages of \$5,000, adjusted annually to reflect an increase in the Consumer
6.6 Price Index, per user per violation or actual damages, whichever is greater;

6.7 (2) for a reckless or knowing violation of this section, punitive damages of \$7,000,
6.8 adjusted annually to reflect an increase in the Consumer Price Index, per violation or actual
6.9 damages, whichever is greater;

6.10 (3) reasonable attorney fees and litigation costs; and

6.11 (4) other relief, including injunctive or declaratory relief, as the state or federal court
6.12 deems appropriate.