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THE VOICE OF AMERICAN INNOVATION

March 3, 2026

The Honorable Tim O'Driscoll
Co-Chair, Minnesota House Commerce Finance and Policy
658 Cedar Street
St. Paul, MN 55155

The Honorable Erin Koegel
Co-Chair, Minnesota House Commerce Finance and Policy
658 Cedar Street
St. Paul, MN 55155

RE: TechNet opposition to HF 3794

Dear Chair O'Driscoll, Chair Koegel, and Members of the Committee:

On behalf of TechNet, I write to respectfully oppose HF 3794, which would impose broad procedural requirements on businesses using an automated decision system in connection with prices or wages.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 100 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

TechNet supports policies that protect consumers and workers from unlawful discrimination and deceptive practices. However, HF 3794 adopts sweeping definitions and compliance mandates that will capture routine business tools across the Minnesota economy, creating significant legal uncertainty and discouraging consumer-beneficial pricing and ordinary workforce management practices.

<u>"Automated decision system" definition is expansive enough to cover routine tools that merely assist decision-making</u>
HF 3794 defines an "automated decision system" broadly to include any system in which computation is used to "assist or replace" human decision-making, including systems derived from machine learning, statistics, or other data-processing techniques. Critically, the bill is not limited to systems that make decisions autonomously; it also covers tools that simply inform a person's judgment.

That breadth matters because many everyday business tools incorporate analytics in low-risk, routine ways. As drafted, HF 3794 could be read to sweep in common systems used to: (1) forecast demand and manage inventory, (2) support fraud prevention and account security, (3) determine eligibility for standard discounts or promotions, and (4) help managers with scheduling and task assignment. These are often used to improve consistency and reduce error, not to engage in discriminatory conduct.

By tying broad prohibitions and procedural obligations to such an expansive trigger, HF 3794 risks turning routine decision-support software into a regulated activity subject to substantial uncertainty. The likely outcome is a chilling effect: businesses may avoid deploying tools that improve efficiency and deliver competitive pricing, or they may divert resources into compliance processes that are not tied to demonstrated harm.

<u>The bill's "surveillance data" construct is so broad it creates compliance guesswork</u>
HF 3794 defines "surveillance data" to include data obtained through "observation, inference, or surveillance" related to personal characteristics, behaviors, or biometrics and includes information "gathered, purchased, or otherwise acquired," including inferences about groups or tiers. This breadth creates real-world ambiguity. Businesses will struggle to determine what ordinary inputs like purchase history, general location, and prior interactions could later be characterized as "surveillance data," even when used in non-discriminatory and pro-consumer ways.

<u>Price provisions risk chilling discounts and competitive pricing that benefit Minnesotans</u>
HF 3794 effectively presumes that individualized pricing informed by the bill's broadly defined "surveillance data" is prohibited unless a business can prove it falls within narrow exceptions. This structure risks chilling common, consumer-beneficial practices such as promotions, coupons, retention offers, and localized discounts, all of which are tools that often lower prices and enhance competition. When legal exposure turns routine discounting into a potential liability, the rational response is to reduce or eliminate discounts, which harms affordability.

<u>The wage provisions are especially disruptive because "wage" explicitly includes scheduling and task assignment</u>
HF 3794 defines "wage" broadly to include not only pay but also "bonuses, commissions and incentives, scheduling, [and] task assignment," among other material terms impacting earnings. By sweeping ordinary scheduling and task assignment into a "wage discrimination" compliance framework, the bill risks turning routine workforce management into a regulated activity with heightened disclosure and procedural obligations.

For these reasons, TechNet respectfully opposes HF 3794 and urges the Committee to reject the bill in its current form.

Sincerely,

David Edmonson
Senior Vice President, State Policy and Government Relations
TechNet