

Letters for HF 4131 (Greenman)



March 24, 2026

RE: HF 4131 (Greenman) Surveillance-based price and wage discrimination prohibited

Chair Baker, Chair Pinto, and Members of the Committee:

On behalf of Minnesota Retailers, we appreciate the opportunity to share our perspective on HF 4131 (Greenman), which would prohibit surveillance-based price and wage discrimination.

We want to thank Representative Greenman for asking for input on this proposal. We are actively working with our members to better understand the bill and its implications. At this time, we do not have specific amendment requests, but we are committed to continuing a constructive dialogue with the author.

As currently drafted, we are opposed to HF 4131 with concerns related to both the pricing and wage provisions.

From a pricing standpoint, retailers are concerned that the bill may limit or discourage beneficial consumer pricing practices. Retailers rely on a range of tools--promotions, loyalty programs, and targeted discounts--to deliver value to customers and remain competitive. We have previously flagged that proposals in this space can step in the way of legitimate consumer discounts. The breadth of definitions—particularly around “surveillance data” and individualized pricing creates uncertainty about how pricing-reducing retail practices would be treated in real-world application.

At the same time, we agree that individual consumer data should not be used to increase prices for that individual. Our concern is that the bill, as written, goes beyond that principle and captures standard, pro-consumer pricing practices.

We also have concerns with the wage provisions. The bill's restrictions on the use of data in wage-setting, combined with disclosure and procedural requirements tied to automated decision systems, may create operational complexity and legal ambiguity for employers. Retailers use a variety of tools to set wages based on market conditions, experience, performance, and business needs, and the current language creates uncertainty around how these practices would be evaluated.

We appreciate Representative Greenman's willingness to engage and look forward to continuing the conversation.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Nustad", with a stylized flourish at the end.

Bruce Nustad
president
bruce@mnretail.org



March 23, 2026

The Honorable Dave Pinto
Co-Chair
House Committee on Workforce, Labor,
and Economic Development
2nd Floor, Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

The Honorable Dave Baker
Co-Chair
House Committee on Workforce, Labor,
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2nd Floor, Centennial Office Building
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RE: Oppose HF 4131 - "Prohibition on Surveillance-Based Price and Wage Discrimination"

Dear Chair Pinto, Chair Baker, and members of the Committee:

On behalf of Chamber of Progress, a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advances, **I respectfully urge you to oppose HF 4131, which would harm consumers in Minnesota.**

We share the legislature's concern about affordability. The cost of living is the top issue facing American families,¹ and we understand the drive to ensure consumers are getting a fair deal. But HF 4131's broad definitions would eliminate the personalized discounts that help Minnesota families stretch their budgets and impose unworkable compliance burdens on everyday businesses. The bill would backfire on the consumers it is meant to protect.

Personalized pricing helps Minnesota families stretch their budgets

The term "surveillance pricing" suggests that companies are using personal data to charge individual consumers higher prices. ***But despite widespread speculation, there is no conclusive evidence that this is actually happening.*** What businesses overwhelmingly use consumer data for is the opposite: offering discounts, coupons, and targeted promotions that help families save money.

¹ Erin Doherty, "New poll paints a grim picture of a nation under financial strain," *POLITICO*, Dec. 10, 2025, <https://www.politico.com/news/2025/12/10/poll-affordability-cost-of-living-00678076>.

This makes economic sense. Consumer markets are fiercely competitive. When shoppers can compare prices with a few taps on their phone, using personal data to charge a customer more is a losing strategy – a competitor will simply offer a better price and win the sale. The businesses that use consumer data most actively are the ones competing hardest for customers, and they compete by offering better deals, not higher prices.

In practice, personalized pricing looks like this:

- *Personalized coupons.* Your grocery store's app sends you a \$2-off coupon for the cereal you buy every week, or a deal on diapers because you've been buying them regularly.
- *Loyalty rewards.* Your local coffee shop gives you a free drink after ten purchases, or sends you a discount because you haven't visited in a month.
- *Subscription and retention offers.* A streaming service offers you a discounted rate to come back after you canceled, or a meal kit company drops its price to keep you as a subscriber.
- *Cart abandonment discounts.* An online retailer offers a discount to a shopper who viewed a product but didn't purchase, winning back a sale with a better price.
- *New product introductions.* A new snack brand enters your grocery store and the store sends a coupon to customers who already buy similar products, reaching likely buyers instead of advertising blindly to everyone.

Consumers actively seek out these kinds of deals. A 2024 survey of more than 10,000 consumers found that 91% are willing to share personal data in exchange for value from brands, with discounts, loyalty points, and exclusive access cited as the top motivators.² Seventy percent of consumers say they value loyalty programs,³ and about 24% of consumers earning under \$40,000 rely on them when choosing where to shop.⁴

HF 4131 would ban these practices and raise costs for Minnesota families

Under HF 4131, every one of the practices described above would be prohibited. The bill's definitions are broad enough to capture virtually any consumer data fed into any software that informs a price, and it makes no distinction between using personal data to charge a consumer more and using it to offer a discount. Its only discount-related exemption covers discounts offered to all consumers on equal terms that reward membership in a particular group such as military members, veterans, teachers, students, or seniors – a narrow carve-out that fails to capture the vast majority of ways consumers receive discounts today.

² Marigold, "2024 Global Consumer Trends Index" (2024), <https://www.globenewswire.com/en/news-release/2024/01/16/2809582/0/en/Annual-Marigold-Global-Consumer-Trends-Index-Reveals-Need-for-Brands-to-Deliver-on-Data-Privacy-and-Personalization-to-Win-Customer-Loyalty.html>.

³ Bobby Stephens and Ramya Murali, *2024 Consumer Loyalty Survey*, Deloitte, Feb. 24, 2025, <https://www.deloitte.com/us/en/services/consulting/articles/brand-loyalty-program-consumer-behavior.html>.

⁴ F. Watty, "Supermarket Choice Due to Membership in Its Loyalty Program in U.S. 2023 by Income," Statista, Jan. 11, 2024, <https://www.statista.com/statistics/1548425/supermarket-choice-due-to-loyalty-program-by-income-us/>.

Personalization is what makes many modern discounts viable. Businesses offer targeted discounts because extending the same discount to every customer is often not sustainable; they need to reach the customers a promotion is meant for (deal-seekers, new customers, lapsed shoppers) without reducing revenue across every transaction. If businesses cannot target their promotions, many will stop offering them altogether.

Eliminating these practices would hurt Minnesota families directly. Digital coupons alone save the average household \$1,465 each year,⁵ and low-income families, especially those with children, are among the most active coupon users.⁶ Research in the *Journal of Business Ethics* found that data-driven pricing can have progressive distributional effects, directing savings toward the consumers who benefit most from discounts.⁷ Banning data-driven pricing would not produce a fairer market – just a less accessible one.

HF 4131 could disrupt the delivery and rideshare services that Minnesota families depend on

Rideshare and delivery platforms calculate every fare in real time based on location, demand, traffic, and driver availability. HF 4131's cost-based exception covers only "differences in the cost incurred to provide a good or service to different consumers," with no explicit recognition of delivery distance, delivery time, or demand-based pricing – the mechanism that gets more drivers on the road during rush hour, severe weather, or after a concert lets out. Without a clear exemption for these factors, the bill's broad prohibition would treat routine fare variation as surveillance-based price discrimination. Minnesotans who depend on these services to get to work, pick up prescriptions, or get groceries delivered would face reduced availability and higher costs.

HF 4131 would have a devastating impact on small to mid-size businesses

A recent survey found that 35% of small businesses already use algorithmic or automated pricing tools, and 94% of those report improved competitive positioning as a result.⁸ For small businesses, these tools can be a lifeline. A new grocery brand can use targeted discounts to introduce itself to likely buyers, and a local retailer can use promotional pricing to compete against national chains with far larger advertising

⁵ Elyssa Kirkham, "Study: Skipping Online Coupons Could Cost You \$1,465 Per Year," CouponFollow, last modified May 19, 2021, <https://couponfollow.com/research/coupon-data-study>.

⁶ Stephanie M. Noble et al., "Coupon Clipping by Impoverished Consumers: Linking Demographics, Basket Size, and Coupon Redemption Rates," *International Journal of Research in Marketing* 34, no. 2 (2017): 553-571, <https://doi.org/10.1016/j.ijresmar.2016.08.010>.

⁷ Jerod Coker and Jean-Manuel Izaret, "Progressive Pricing: The Ethical Case for Price Personalization," *Journal of Business Ethics* 173, no. 3 (2021): 387-398, <https://doi.org/10.1007/s10551-020-04545-x>.

⁸ Jerod Coker and Jean-Manuel Izaret, "Progressive Pricing: The Ethical Case for Price Personalization," *Journal of Business Ethics* 173, no. 3 (2021): 387-398, <https://doi.org/10.1007/s10551-020-04545-x>.

budgets. Restricting these practices tilts the playing field toward large incumbents who can absorb the cost of blanket promotions, while smaller competitors cannot.

HF 4131 would require any business using even the most simple automated pricing tools – such as those that help a restaurant adjust menu prices when ingredient costs spike, or help a retailer flag items for markdown before they expire – to publish formal data-accuracy procedures, respond to any customer who asks what data informed their price, and allow customers to formally dispute it.

These are off-the-shelf tools that help small businesses keep prices fair and competitive, not sophisticated algorithms designed to exploit consumers. The compliance obligations would be burdensome even for a large corporation; for a small business, they are impossible to meet. The bill's requirement that businesses disclose how their pricing systems weigh data also risks exposing proprietary strategies to competitors, undermining the competition that keeps prices low.

For these reasons, **I respectfully urge you to oppose HF 4131.** We welcome the opportunity to work with the Committee on targeted approaches that address documented pricing abuses without eliminating the personalized discounts, coupons, and loyalty rewards that Minnesota families depend on or undermining the competitive, dynamic marketplace that delivers them.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Marshall", enclosed within a hand-drawn oval shape.

Kouri Marshall

Senior Director of State & Local Public Policy, Central/Southern Region

www.progresschamber.org

March 24, 2026

The Honorable Dave Baker
Co-Chair, Workforce, Labor, and Economic Development Finance and Policy
658 Cedar Street
St. Paul, MN 55155

The Honorable Dave Pinto
Co-Chair, Workforce, Labor, and Economic Development Finance and Policy
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RE: TechNet opposition to HF 4131

Dear Chairs Baker, Pinto, and Members of the Committee:

On behalf of TechNet, I write to respectfully oppose HF 4131, 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 4131 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.

"Automated decision system" definition is expansive enough to cover routine tools that merely assist decision-making

HF 4131 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 4131 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 4131 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.

The bill's "surveillance data" construct is so broad it creates compliance guesswork
HF 4131 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.

Price provisions risk chilling discounts and competitive pricing that benefit Minnesotans

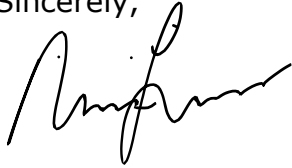
HF 4131 effectively presumes that individualized pricing informed by the bill's broadly defined "surveillance data" is prohibited unless a business can prove it falls within narrow exceptions. This structure risks chilling common, consumer-beneficial practices such as promotions, coupons, retention offers, 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.

The wage provisions are especially disruptive because "wage" explicitly includes scheduling and task assignment

HF 4131 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 4131 and urges the Committee to reject the bill in its current form.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ninia Linero', written in a cursive style.

Ninia Linero
Executive Director, Illinois & the Midwest
TechNet

