

10 An act relating to prohibiting surveillance pricing

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 9 V.S.A. chapter 118 is added to read:

## CHAPTER 118. ARTIFICIAL INTELLIGENCE

## Subchapter 1. Surveillance Pricing

15           § 4193a. DEFINITIONS

16 As used in this subchapter:

17                   (1) “Aggregate consumer information” means information that relates to  
18                   a group or category of consumers, from which individual consumer identities  
19                   have been removed, that is not linked or reasonably linkable to any consumer  
20                   or household, including through the use of a device.

1                   (2) “Consumer” means a person who purchases or intends to purchase a  
2 consumer product.

3                   (3) “Consumer commodity” has the same meaning as in 6 V.S.A. § 681.

4                   (4) “Consumer product” means any product that is regularly used or  
5 purchased to be used for personal, family, household, commercial, or business  
6 purposes, including a consumer commodity.

7                   (5) “Covered information” means either personally identifiable  
8 information or aggregate consumer information.

9                   (6) “Electronic surveillance technology” means a system, software, or  
10 process derived from machine learning, statistics, or other data processing or  
11 artificial intelligence techniques used to collect, capture, record, or retain  
12 personally identifiable information.

13                   (7) “Personally identifiable information” has the same meaning as in  
14 subdivision 2430(10) of this title.

15                   (8) “Standard price” means the price of a good or service that is set for  
16 all consumers that is not based upon covered information.

17                   (9) “Surveillance pricing” means using covered information gathered  
18 through electronic surveillance technology to set the price of a consumer  
19 product that differs from the standard price.

1       § 4193b. SURVEILLANCE PRICING; PROHIBITION

2       (a) Except as provided under subsection (b) of this section, a person shall  
3       not use surveillance pricing to distribute, sell, or offer for sale a consumer  
4       product in the State.

5       (b) A person may use surveillance pricing to distribute, sell, or offer for  
6       sale a consumer product if any of the following apply:

7           (1) The difference from the standard price charged to a consumer is  
8       based solely on the cost to the person of providing the consumer product to  
9       that consumer.

10          (2) The difference from the standard price is a discount offered to all  
11       consumers on equal terms in a manner consistent with applicable  
12       antidiscrimination laws. If the person gathers personally identifiable  
13       information in connection with the provision of this discount, the person shall  
14       ensure both of the following:

15           (A) the consumer shall receive a clear and conspicuous written notice  
16       describing in readily ascertainable terms the specific intended purposes for  
17       which the person will use the personally identifiable information before the  
18       person uses the information for those purposes; and

19           (B) the consumer shall provide written affirmative consent for any  
20       purpose described in subdivision (A) of this subdivision (2) before the  
21       consumer's personally identifiable information is used for that purpose.

1                   (3) The person is licensed by the Department of Financial Regulation to  
2                   conduct insurance business in the State pursuant to 8 V.S.A. chapter 101,  
3                   provided that the person complies with any applicable rate standards under 8  
4                   V.S.A. chapter 128.

5                   § 4193c. VIOLATIONS

6                   (a) A violation of this subchapter is deemed to be a violation of section  
7                   2453 of this title.

8                   (b) The Attorney General has the same authority to make rules, conduct  
9                   civil investigations, and bring civil actions with respect to the acts and  
10                   practices that constitute surveillance pricing as is provided under chapter 63,  
11                   subchapter 1 of this title.

12                   (c) A consumer subject to surveillance pricing has the same rights as a  
13                   consumer has under section 2461 of this title.

14                   Sec. 2. EFFECTIVE DATE

15                   This act shall take effect on July 1, 2026.