

S.207

Introduced by Senators White, Gulick, Harrison, Major, Plunkett and
Vyhovsky

Referred to Committee on

Date:

Subject: Consumer protection; artificial intelligence; surveillance pricing

Statement of purpose of bill as introduced: This bill proposes to prohibit the
use of surveillance pricing to distribute, sell, or offer for sale consumer
products in the State.

An act relating to prohibiting surveillance pricing

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

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

CHAPTER 118. ARTIFICIAL INTELLIGENCE

Subchapter 1. Surveillance Pricing

§ 4193a. DEFINITIONS

As used in this subchapter:

(1) “Aggregate consumer information” means information that relates to
a group or category of consumers, from which individual consumer identities
have been removed, that is not linked or reasonably linkable to any consumer
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.