

119TH CONGRESS
1ST SESSION

H. R. 4640

To prohibit certain uses of algorithmic decision systems to inform individualized prices and wages, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2025

Mr. CASAR (for himself and Ms. TLAIB) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on the Judiciary, and Education and Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prohibit certain uses of algorithmic decision systems to inform individualized prices and wages, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop AI Price Gouging
5 and Wage Fixing Act of 2025”.

6 **SEC. 2. PROHIBITION ON SURVEILLANCE-BASED PRICE**
7 **SETTING.**

8 (a) SURVEILLANCE-BASED PRICE SETTING.—

1 (1) GENERAL PROHIBITION.—A person may not
2 engage in surveillance-based price setting. If each
3 condition in paragraph (2) is met, any of the fol-
4 lowing is not surveillance-based price setting:

5 (A) A difference in price is based solely on
6 reasonable costs associated with providing the
7 good or service to different consumers.

8 (B) A discounted price is offered to mem-
9 bers of a broadly defined group, including
10 teachers, veterans, senior citizens, or students,
11 based on publicly disclosed eligibility criteria.

12 (C) A discounted price is offered through
13 a loyalty, membership, or rewards program that
14 consumers affirmatively enrolled in, including
15 signing up for a mailing list, registering for
16 promotional communication, or participating in
17 a promotional event.

18 (2) ADDITIONAL CONDITIONS FOR EXCEP-
19 TION.—The conditions in this paragraph are the fol-
20 lowing:

21 (A) Any eligibility criteria or condition for
22 receiving or earning the discount or reward is
23 clearly and conspicuously disclosed.

1 (B) Any discount or reward is offered uni-
2 formly to all consumers who meet the disclosed
3 eligibility criteria.

4 (C) Any surveillance data is used solely to
5 offer or administer the discount or reward and
6 is not used for any other purpose, including
7 profiling, targeted advertising, or individualized
8 price setting.

9 (3) REQUIREMENT TO PUBLISH PROCE-
10 DURES.—Not later than 180 days before the date on
11 which a person intends to engage in any of the ac-
12 tions described in subparagraphs (A) through (C) of
13 paragraph (1), that person shall make publicly avail-
14 able, in a conspicuous and accessible format, reason-
15 able procedures that include the following:

16 (A) A process for ensuring the accuracy of
17 all data considered by the automated decision
18 system.

19 (B) A procedure that allows a consumer to
20 correct or challenge the accuracy of data con-
21 sidered by the automated decision system.

22 (C) Disclosure to consumers what data is
23 considered and how automated decision-making
24 considers the data when setting particular
25 prices.

1 (b) ENFORCEMENT BY FEDERAL TRADE COMMIS-
2 SION.—

3 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
4 TICES; UNFAIR METHODS OF COMPETITION.—A vio-
5 lation of subsection (a) or a regulation promulgated
6 under such subsection shall be treated as a violation
7 of a regulation under section 18(a)(1)(B) of the
8 Federal Trade Commission Act (15 U.S.C.
9 57a(a)(1)(B)) regarding unfair or deceptive acts or
10 practices and as a violation of the Federal Trade
11 Commission Act (15 U.S.C. 45(a)) regarding unfair
12 methods of competition.

13 (2) POWERS OF COMMISSION.—The Federal
14 Trade Commission shall enforce subsection (a) and
15 any regulation promulgated under such subsection in
16 the same manner, by the same means, and with the
17 same jurisdiction, powers, and duties as though all
18 applicable terms and provisions of the Federal Trade
19 Commission Act (15 U.S.C. 41 et seq.) were incor-
20 porated into and made a part of this Act. Any per-
21 son who violates such subsection or a regulation pro-
22 mulgated under such subsection shall be subject to
23 the penalties and entitled to the privileges and im-
24 munities provided in the Federal Trade Commission
25 Act.

1 (3) COMMON CARRIERS AND NONPROFIT ORGA-
2 NIZATIONS.—Notwithstanding section 4, 5(a)(2), or
3 6 of the Federal Trade Commission Act (15 U.S.C.
4 44; 45(a)(2); 46) or any jurisdictional limitation of
5 the Federal Trade Commission, the Federal Trade
6 Commission shall also enforce subsection (a) or a
7 regulation promulgated under subsection (a), in the
8 same manner provided in paragraphs (1) and (2),
9 with respect to—

10 (A) common carriers subject to the Com-
11 munications Act of 1934 (47 U.S.C. 151 et
12 seq.) and all Acts amendatory thereof and sup-
13 plementary thereto; and

14 (B) organizations not organized to carry
15 on business for their own profit or that of their
16 members.

17 (4) AUTHORITY PRESERVED.—Nothing in this
18 Act may be construed to limit the authority of the
19 Commission under any other provision of law.

20 (c) ACTIONS BY STATES.—

21 (1) IN GENERAL.—In any case in which the at-
22 torney general of a State, or an official or agency of
23 a State, has reason to believe that an interest of the
24 residents of such State has been or is threatened or
25 adversely affected by an act or practice in violation

1 of subsection (a) or a regulation promulgated under
2 such subsection, the State, as *parens patriae*, may
3 bring a civil action on behalf of the residents of the
4 State in an appropriate State court or an appropriate
5 district court of the United States to—

6 (A) enjoin such act or practice;

7 (B) enforce compliance with such sub-
8 section or such regulation;

9 (C) obtain, per violation, the greater of—

10 (i) the actual monetary damages in-
11 curred from the violation; or

12 (ii) \$3,000; or

13 (D) obtain any restitution, penalties, and
14 any other legal or equitable relief on behalf of
15 residents as the court may deem just and prop-
16 er.

17 (2) RULE OF CONSTRUCTION.—For purposes of
18 bringing a civil action under this subsection, nothing
19 in this Act shall be construed to prevent an attorney
20 general, official, or agency of a State from exercising
21 the powers conferred on the attorney general, offi-
22 cial, or agency by the laws of such State to conduct
23 investigations, administer oaths and affirmations, or
24 compel the attendance of witnesses or the production
25 of documentary and other evidence.

1 (d) PRIVATE RIGHT OF ACTION.—

2 (1) IN GENERAL.—A person injured by an act
3 or practice in violation of subsection (a) or a regula-
4 tion promulgated under such subsection may bring
5 in an appropriate State court or an appropriate dis-
6 trict court of the United States—

7 (A) to enjoin the violation;

8 (B) to obtain, for each violation, the great-
9 er of—

10 (i) the actual monetary damages in-
11 curred from the violation; or

12 (ii) \$3,000; or

13 (C) obtain, for each violation, any other
14 restitution, penalties, and other legal or equi-
15 table relief as the court may deem just and
16 proper.

17 (2) WILLFUL VIOLATIONS.—If the court finds
18 that the defendant acted willfully in committing a
19 violation described in paragraph (1), the court may,
20 in its discretion, increase the amount of the award
21 to an amount equal to not more than 3 times the
22 amount available under paragraph (1)(B).

23 (3) COSTS AND ATTORNEY'S FEES.—The court
24 shall award to a prevailing plaintiff in an action
25 under this subsection the costs of such action and

1 reasonable attorney’s fees, as determined by the
2 court.

3 (4) LIMITATION.—An action may be com-
4 menced under this subsection not later than 5 years
5 after the date on which the person first discovered
6 or had a reasonable opportunity to discover the vio-
7 lation.

8 (5) NONEXCLUSIVE REMEDY.—The remedy pro-
9 vided by this subsection shall be in addition to any
10 other remedies available to the person.

11 (6) INVALIDITY OF PRE-DISPUTE ARBITRATION
12 AND JOINT ACTION WAIVERS.—Notwithstanding
13 chapter 1 of title 9, United States Code (commonly
14 known as the “Federal Arbitration Act”), or any
15 other provision of law, a pre-dispute arbitration
16 agreement or pre-dispute joint action waiver between
17 a person engaged in commerce and a consumer is
18 not valid or enforceable for purposes of this section.

19 (e) DEFINITIONS.—In this section:

20 (1) AUTOMATED DECISION SYSTEM.—The term
21 “automated decision system”—

22 (A) means a system, software, or process
23 that uses computation, the result for which is
24 used to assist or approximate human decision-
25 making; and

1 (B) includes a system, software, or process
2 derived from machine learning, statistics, or
3 other data processing or artificial intelligence
4 techniques.

5 (2) COMMISSION.—The term “Commission”
6 means the Federal Trade Commission.

7 (3) GENETIC INFORMATION.—The term “ge-
8 netic information”—

9 (A) means, with respect to an individual,
10 information about—

11 (i) any genetic test;

12 (ii) the genetic tests of any family
13 member; and

14 (iii) the manifestation of a disease or
15 disorder in any family member;

16 (B) includes, with respect to an individual,
17 any request for, or receipt of, genetic services,
18 or participation in clinical research which in-
19 cludes genetic services, by the individual or any
20 family member of the individual; and

21 (C) does not include information about the
22 sex or age of the individual.

23 (4) PERSONAL INFORMATION.—The term “per-
24 sonal information” means any quality, feature, at-
25 tribute, or trait of an individual, including any im-

1 mutable characteristic (such as race and eye color),
2 mutable characteristic (such as address, weight, citi-
3 zenship, family, or parenthood status), and any
4 other information that could reasonably be linked,
5 directly or indirectly, with a particular person or
6 household.

7 (5) PRE-DISPUTE ARBITRATION AGREEMENT.—

8 The term “pre-dispute arbitration agreement”
9 means any agreement to arbitrate a dispute that has
10 not arisen at the time of making the agreement.

11 (6) PRE-DISPUTE JOINT ACTION WAIVER.—The

12 term “pre-dispute joint action waiver” means an
13 agreement, including as part of a pre-dispute arbi-
14 tration agreement, that would prohibit, or waive the
15 right of, one of the parties to the agreement to par-
16 ticipate in a joint, class, or collective action in a ju-
17 dicial, arbitral, administrative, or other forum, con-
18 cerning a dispute that has not arisen at the time of
19 making the agreement.

20 (7) PRICE.—The term “price” means the

21 amount charged or offered to a consumer in relation
22 to a transaction, including any related cost and fee
23 and any other material term of the transaction that
24 has direct bearing on the amount paid by the con-

1 sumer or the value of the good or service offered or
2 provided to the consumer.

3 (8) SURVEILLANCE-BASED PRICE SETTING.—

4 The term “surveillance-based price setting” means
5 using an automated decision system to offer or in-
6 form a customized price for a good or service for a
7 specific person or consumer, or group of people or
8 consumers, based, in whole or in part, on surveil-
9 lance data.

10 (9) SURVEILLANCE DATA.—The term “surveil-
11 lance data”—

12 (A) means data obtained through observa-
13 tion, inference, or surveillance of an individual
14 that is related to personal information, genetic
15 information, behavior, or biometrics of the indi-
16 vidual or a group, band, class, or tier in which
17 the individual belongs; and

18 (B) includes information gathered, pur-
19 chased, or otherwise acquired.

20 **SEC. 3. PROHIBITION ON SURVEILLANCE-BASED WAGE SET-**
21 **TING.**

22 (a) GENERAL PROHIBITION.—A person may not en-
23 gage in surveillance-based wage setting. It shall not be
24 considered surveillance-based wage setting so long as the
25 person can demonstrate that the automated decision sys-

1 tem uses only data regarding the city or State where the
2 individual worker works and the cost of living in that city
3 or State.

4 (b) REQUIREMENT TO PUBLISH PROCEDURES.—Not
5 later than 180 days prior to the date in which a person
6 engaged in commerce intends to use an automated deci-
7 sion system to inform the wages of an individual per-
8 forming services for such person, that person shall make
9 publicly available, in a conspicuous and accessible format,
10 reasonable procedures that include the following:

11 (1) A process for ensuring the accuracy of all
12 data considered by the automated decision system.

13 (2) A process to disclose to all individuals per-
14 forming services for such person which data is con-
15 sidered and how the automated decisions system
16 considers the data when setting wages.

17 (3) A procedure for individuals performing serv-
18 ices for such person to correct or challenge the accu-
19 racy of any data considered by the automated deci-
20 sion system.

21 (c) ENFORCEMENT BY EQUAL EMPLOYMENT OPPOR-
22 TUNITY COMMISSION.—In any case in which the Equal
23 Opportunity Commission has a reason to believe that a
24 violation of subsection (a) or a violation of a regulation
25 promulgated under such subsection has adversely affected

1 any individual or group of individuals, the Equal Employ-
2 ment Opportunity Commission may bring a civil action on
3 behalf of that individual or group in an appropriate dis-
4 trict court of the United States to—

5 (1) enjoin such act or practice;

6 (2) enforce compliance with such subsection or
7 such regulation; and

8 (3) obtain damages, restitution, penalties, or
9 other compensation on behalf of individuals or
10 groups or such other legal and equitable relief as the
11 court may consider appropriate.

12 (d) ENFORCEMENT BY FEDERAL TRADE COMMIS-
13 SION.—

14 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
15 TICES; UNFAIR METHODS OF COMPETITION.—A vio-
16 lation of subsection (a) or a regulation promulgated
17 under such subsection shall be treated as a violation
18 of a regulation under section 18(a)(1)(B) of the
19 Federal Trade Commission Act (15 U.S.C.
20 57a(a)(1)(B)) regarding unfair or deceptive acts or
21 practices and as a violation of the Federal Trade
22 Commission Act (15 U.S.C. 45(a)) regarding unfair
23 methods of competition.

24 (2) POWERS OF COMMISSION.—The Federal
25 Trade Commission shall enforce subsection (a) and

1 any regulation promulgated under such subsection in
2 the same manner, by the same means, and with the
3 same jurisdiction, powers, and duties as though all
4 applicable terms and provisions of the Federal Trade
5 Commission Act (15 U.S.C. 41 et seq.) were incor-
6 porated into and made a part of this Act. Any per-
7 son who violates such subsection or a regulation pro-
8 mulgated under such subsection shall be subject to
9 the penalties and entitled to the privileges and im-
10 munities provided in the Federal Trade Commission
11 Act.

12 (3) COMMON CARRIERS AND NONPROFIT ORGA-
13 NIZATIONS.—Notwithstanding section 4, 5(a)(2), or
14 6 of the Federal Trade Commission Act (15 U.S.C.
15 44; 45(a)(2); 46) or any jurisdictional limitation of
16 the Federal Trade Commission, the Federal Trade
17 Commission shall also enforce subsection (a) or a
18 regulation promulgated under subsection (a), in the
19 same manner provided in paragraphs (1) and (2),
20 with respect to—

21 (A) common carriers subject to the Com-
22 munications Act of 1934 (47 U.S.C. 151 et
23 seq.) and all Acts amendatory thereof and sup-
24 plementary thereto; and

1 (B) organizations not organized to carry
2 on business for their own profit or that of their
3 members.

4 (4) AUTHORITY PRESERVED.—Nothing in this
5 Act may be construed to limit the authority of the
6 Commission under any other provision of law.

7 (e) ACTIONS BY STATES.—In any case in which the
8 attorney general of a State, or an official or agency of
9 a State, has reason to believe that an interest of the resi-
10 dents of such State has been or is threatened or adversely
11 affected by an act or practice in violation of subsection
12 (a) or a regulation promulgated under such subsection, the
13 State may bring a civil action on behalf of the residents
14 of the State in an appropriate State court or district court
15 of the United States of appropriate jurisdiction to—

16 (1) enjoin such act or practice;

17 (2) enforce compliance with such subsection or
18 such regulation;

19 (3) obtain, per violation, the greater of—

20 (A) the actual monetary damages incurred
21 from the violation; or

22 (B) \$3,000; or

23 (4) obtain any restitution, penalties, and any
24 other legal or equitable relief on behalf of residents
25 as the court may deem just and proper.

1 (f) PRIVATE RIGHT OF ACTION.—

2 (1) IN GENERAL.—A person injured by an act
3 or practice in violation of subsection (a), or a regula-
4 tion promulgated under such subsection, may bring
5 in an appropriate State court or a district court of
6 the United States of appropriate jurisdiction an ac-
7 tion to—

8 (A) enjoin the violation;

9 (B) obtain, for each violation, the greater
10 of—

11 (i) the actual monetary damages in-
12 curred from the violation; or

13 (ii) \$3,000; or

14 (C) obtain, for each violation, any other
15 restitution, penalties, and other legal or equi-
16 table relief as the court may deem just and
17 proper.

18 (2) WILLFUL VIOLATIONS.—If the court finds
19 that the defendant acted willfully in committing a
20 violation described in paragraph (1), the court may,
21 in its discretion, increase the amount of the award
22 to an amount equal to not more than 3 times the
23 amount available under subparagraph (A)(ii).

24 (3) COSTS AND ATTORNEY'S FEES.—The court
25 shall award to a prevailing plaintiff in an action

1 under this subsection the costs of such action and
2 reasonable attorney's fees, as determined by the
3 court.

4 (4) LIMITATION.—An action may be com-
5 menced under this subsection not later than 5 years
6 after the date on which the person first discovered
7 or had a reasonable opportunity to discover the vio-
8 lation.

9 (5) NONEXCLUSIVE REMEDY.—The remedy pro-
10 vided by this subsection shall be in addition to any
11 other remedies available to the person.

12 (6) INVALIDITY OF PRE-DISPUTE ARBITRATION
13 AND JOINT ACTION WAIVERS.—Notwithstanding
14 chapter 1 of title 9, United States Code (commonly
15 known as the “Federal Arbitration Act”), or any
16 other provision of law, a pre-dispute arbitration
17 agreement or pre-dispute joint action waiver between
18 a person engaged in commerce and an individual
19 whose wages are set in violation of this section shall
20 not be valid or enforceable for the purposes of this
21 section.

22 (g) DEFINITION.—In this section:

23 (1) AUTOMATED DECISION SYSTEM.—The term
24 “automated decision system”—

1 (A) means a system, software, or process
2 that uses computation, the result for which is
3 used to assist, inform, or perform decision-mak-
4 ing functions; and

5 (B) includes a system, software, or process
6 derived from machine learning, statistics, or
7 other data processing or artificial intelligence
8 techniques.

9 (2) FLSA TERMS.—The terms “commerce”
10 and “person” have the meanings given the terms in
11 section 3 of the Fair Labor Standards Act of 1938
12 (29 U.S.C. 203).

13 (3) PERSONAL INFORMATION.—The term “per-
14 sonal information” means any quality, feature, at-
15 tribute, or trait of an individual, including any im-
16 mutable characteristic (such as race and eye color),
17 mutable characteristic (such as address, weight, citi-
18 zenship, family, or parenthood status), and any
19 other information that could reasonably be linked,
20 directly or indirectly, with a particular person or
21 household.

22 (4) PRE-DISPUTE ARBITRATION AGREEMENT.—
23 The term “pre-dispute arbitration agreement”
24 means any agreement to arbitrate a dispute that has

1 not yet arisen at the time of the making of the
2 agreement.

3 (5) PRE-DISPUTE JOINT ACTION WAIVER.—The
4 term “pre-dispute joint action waiver” means an
5 agreement, including as part of a pre-dispute arbi-
6 tration agreement, that would prohibit, or waive the
7 right of, one of the parties to the agreement to par-
8 ticipate in a joint, class, or collective action in a ju-
9 dicial, arbitral, administrative, or other forum, con-
10 cerning a dispute that has not yet arisen at the time
11 of the making of the agreement.

12 (6) SURVEILLANCE-BASED WAGE SETTING.—
13 The term “surveillance-based wage setting” means
14 using an automated decision system that considers
15 personal information or surveillance data to set or
16 inform the compensation of an individual performing
17 services for a person.

18 (7) SURVEILLANCE DATA.—The term “surveil-
19 lance data”—

20 (A) means data obtained through observa-
21 tion, inference, or surveillance of an individual
22 that is related to personal information, genetic
23 information, behavior, or biometrics of the indi-
24 vidual or a group, band, class, or tier in which
25 the individual belongs; and

1 (B) includes information gathered, pur-
2 chased, or otherwise acquired.

3 (8) WAGE.—The term “wage” means the mate-
4 rial terms offered to a worker in exchange for labor,
5 including the amount paid for such labor, whether in
6 the form of an hourly rate, piece rate, salary, bonus,
7 commission and incentives, scheduling, task assign-
8 ment, or other similar material terms that have a di-
9 rect impact on the earnings of the worker.

10 **SEC. 4. PREEMPTION OF DIRECTLY CONFLICTING STATE**
11 **LAWS.**

12 (a) IN GENERAL.—Nothing in this Act may be con-
13 strued to preempt, displace, or supplant any State law,
14 except to the extent that a provision of State law conflicts
15 with a provision of this Act.

16 (b) GREATER PROTECTION UNDER STATE LAW.—
17 For the purposes of this Act, a provision of State law does
18 not conflict with a provision of this Act if such State law
19 provides additional protections with respect to individuals
20 protected under this Act with respect to surveillance-based
21 wage setting or the collection of surveillance data.

22 **SEC. 5. PRESERVATION OF COLLECTIVE BARGAINING**
23 **RIGHTS.**

24 (a) RULE OF CONSTRUCTION.—Nothing in this Act
25 shall be construed to preempt, diminish, or interfere with

1 the right of employees to collectively bargain over terms
2 and conditions of employment, including protections
3 against surveillance-based wage discrimination.

4 (b) MINIMUM STANDARD.—The provisions of this Act
5 shall be considered a minimum standard and may not be
6 construed to limit the authority of labor organizations and
7 employers to negotiate and agree to stronger or additional
8 protections through collective bargaining agreements.

9 (c) EXISTING AGREEMENTS.—In the case that a col-
10 lective bargaining agreement is in place, employers shall
11 provide advance notice and a reasonable opportunity for
12 bargaining over any intended use of automated decision
13 systems to set or influence employee compensation.

14 (d) STRONGER PROTECTIONS.—Any rights or protec-
15 tions negotiated through a collective bargaining agreement
16 that exceed the requirements of this Act shall be fully en-
17 forceable and shall not be considered waived or precluded
18 by compliance with this Act.

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