March 10, 2026

The Honorable Matt Klein
Chair, Minnesota Senate Commerce and Consumer Protection Committee
2105 Minnesota Senate Building
St. Paul, MN 55155

RE: TechNet opposition to SF 4199

Dear Chair Klein and Members of the Committee:

On behalf of TechNet, I write to respectfully oppose SF 4199**,** which would prohibit "surveillance-based price setting" by retail food stores and impose new operational restrictions related to biometric identity verification, facial recognition disclosures, and the use of electronic shelf labels.

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 strong consumer protections and agrees that grocery pricing should be fair and non-discriminatory. However, SF 4199 is drafted in a way that will create significant compliance uncertainty for retailers, chill consumer-beneficial discounts, and impose rigid operational mandates that do not target demonstrable consumer harm.

<u>Definitions and "informed by personal information" standard are overbroad in a retail context</u>
SF 4199 defines "electronic surveillance technology" to include a wide array of in-store tools — sensors, cameras, device tracking, biometric monitoring, and facial recognition — capable of gathering "personal information," and then prohibits pricing that is "customized" based in whole or in part on such information.

In practice, retail food stores use in-store technologies for routine, non-pricing purposes, including loss prevention, inventory management, queue management, and fraud prevention. SF 4199's structure risks conflating these legitimate

operational uses with unlawful "price setting," creating uncertainty and discouraging responsible technology adoption in retail environments.

Loyalty/discount carveout is conditioned on a "sole use" data restriction that will chill savings programs

SF 4199 includes a pathway for loyalty programs and discounts, but it conditions that pathway on a strict requirement that personal information be used solely to offer or administer the discount and "not used for any other purpose," including targeted advertising. This "sole use" restriction is not calibrated to consumer harm and is likely to produce a predictable outcome: retailers reduce or simplify discount programs to avoid compliance risk. That outcome reduces affordability for Minnesotans who rely on discounts and rewards to manage grocery budgets.

Biometric identity verification requirements are prescriptive and increase operational and liability risk

SF 4199 allows use of biometric data only under specified conditions, including written notices of collection/storage/use, written explanation of purpose and retention, disclosure regarding sharing with law enforcement, a written release, and a prohibition on selling or sharing biometric data with third parties. Even where a retailer uses biometrics voluntarily for account security or fraud prevention, SF 4199's prescriptive framework increases administrative burden and legal exposure, and it may deter the use of consumer-friendly authentication tools.

Facial recognition signage mandates may create consumer confusion without improving outcomes

SF 4199 requires clear and conspicuous signage at the main entrance if facial recognition technology is used, along with disclosure of the technology's intended purpose and use. In practice, broad signage mandates can create confusion when technologies are used for limited, non-consumer-targeting purposes, while doing little to address the specific policy concerns the legislation is seeking to solve.

Electronic shelf label restrictions are rigid and will increase costs while undermining price accuracy

SF 4199 prohibits retail food stores over 10,000 square feet from using electronic shelf labels unless prices are changed only once per day at a disclosed time, and it requires nondigital price presentation for each item. These mandates force duplicative labeling systems, increase labor and compliance costs, and can actually increase the risk of mismatched shelf pricing, which would undermine transparency. They also restrict legitimate, pro-consumer pricing practices such as quick promotions, time-bound discounts, error correction, and markdowns for perishable items.

For these reasons, TechNet respectfully opposes SF 4199 and urges the Committee to reject the bill in its current form.

TECHNET
THE VOICE OF AMERICAN INNOVATION

Sincerely,



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

CC: Members, Senate Commerce and Consumer Protection Committee