HB5756

LRB104 21634 SPS 37141 b

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5756

Introduced 5/5/2026, by Rep. Maura Hirschauer

SYNOPSIS AS INTRODUCED:

New Act
815 ILCS 505/2MMMM new

Creates the Algorithmic Pricing Transparency Act. Provides that any person or entity that sells or offers to sell goods or services through an online platform to consumers in the State shall provide a clear and conspicuous disclosure if the baseline price for a specific consumer is personalized and generated using surveillance pricing. Provides that a consumer may opt out of surveillance pricing and a covered entity shall provide the consumer with a non-personalized baseline price for the goods or services. Prohibits a covered entity from using specified personal information to generate algorithmic pricing. Provides that price changes that are the result of specified allowable conduct are not prohibited under the Act. Exempts insurers and providers of financial services from the requirements of the Act. Provides that a violation of the Act is an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Preempts home rule. Amends the Consumer Fraud and Deceptive Business Practices Act to make a conforming change. Restricts private rights of action to enforce the Algorithmic Pricing Transparency Act. Effective January 1, 2028.

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A BILL FOR

AN ACT concerning business.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Algorithmic Pricing Transparency Act.

Section 5. Legislative findings. The General Assembly finds and declares:

(1) Consumers increasingly purchase goods and services through online platforms that collect and process browsing behavior, geolocation data, purchase history, and other personal data.

(2) Businesses use automated systems and data-driven algorithms to generate prices that may vary among consumers for the same goods or services.

(3) These practices, sometimes referred to as "surveillance pricing", may limit a consumer's ability to comparison-shop and may enable pricing based on a consumer's perceived willingness to pay.

(4) Transparency regarding the use of personal data in pricing practices is necessary to promote fair dealing, consumer protection, and market integrity.

Section 10. Definitions. In this Act:

"Algorithmic pricing" means a price for goods or services generated, in whole or in part, using an automated decision system, machine-learning model, or data-driven algorithm.

"Baseline price" means the price for goods or services made available to consumers by a covered entity, excluding any discounts, coupons, promotional offers, limited-time sales, rebates, loyalty or club member pricing, or other reductions or incentives offered to the consumer that lower the total amount the consumer pays for the goods or services. "Baseline price" does not include a higher price for goods or services made available to consumers by a covered entity for the purpose of offering a lower price through surveillance pricing or algorithmic pricing. "Baseline price" does not include any additional fees for premium or additional features.

"Clear and conspicuous" means a disclosure that is easily noticeable, understandable, and proximate to the pricing information presented to the consumer.

"Covered entity" means any person or entity that sells or offers to sell goods or services through an online platform to consumers in this State.

"Personal data" means information linked or reasonably linkable to a consumer, including, but not limited to, browsing history, search queries, geolocation data, prior purchases, digital identifiers, or demographic profile data.

"Personalized price increase" means a price for goods or services that is higher than the baseline price and is set for a consumer based on the consumer's personal data.

"Surveillance pricing" means algorithmic pricing that uses a consumer's personal data to generate a personalized price increase. "Surveillance pricing" does not include any methods of lowering the baseline price for goods or services, including, but not limited to:

(1) the application of any discounts, coupons, promotional offers, rebates, limited-time sales, loyalty or club member pricing, or other reductions or incentives offered to the consumer that lower the total amount the consumer pays;

(2) price comparison tools, competitor price matching, or other comparison-based pricing mechanisms; or

(3) any other price reduction method that does not increase the baseline price to the consumer.

Section 15. Mandatory disclosure of surveillance pricing.

(a) A covered entity shall provide a clear and conspicuous disclosure if the baseline price for a specific consumer is personalized and generated using surveillance pricing. The disclosure must state: THIS PRICE WAS SET BY AN ALGORITHM USING YOUR PERSONAL DATA.

(b) The disclosure required under subsection (a) shall be considered proximate to the pricing information if it is presented next to the price, at the point of checkout, or through a notice presented before completion of the transaction.

Section 20. Consumer rights.

(a) A consumer may opt out of surveillance pricing.

(b) Upon request, a covered entity shall provide the consumer with a non-personalized baseline price for the goods or services.

Section 25. Prohibited conduct.

(a) A covered entity shall not use the following information to generate algorithmic pricing:

(1) race;

(2) religion;

(3) sexual orientation;

(4) immigration status;

(5) medical information; or

(6) criminal history.

(b) A covered entity shall not engage in deceptive or misleading personalized pricing practices.

(c) A covered entity shall not inflate baseline prices or impose penalties on consumers who opt out of surveillance pricing under subsection (a) of Section 20.

Section 30. Exceptions.

(a) This Act does not apply to price changes that are the result of:

(1) fluctuations in the cost of acquiring, producing, transporting, or distributing inventory, including, but not limited to, changes in wholesale prices, manufacturing costs, labor, insurance, or other input costs associated with providing goods or services to different consumers;

(2) objective cost differences directly related to the provision, supply, or sale of goods or services to consumers in different geographic areas, market regions, or delivery locations, including, but not limited to, reasonable variations reflecting the costs or conditions associated with serving particular areas or responding to differing levels of supply or demand;

(3) supply chain disruptions, including, but not limited to, delays, shortages, allocation by suppliers, changes in shipping modes or routes, or other logistical constraints that reasonably affect the seller's costs or available quantities;

(4) time-limited sales, promotions, or discounts that are offered in good faith and in the usual course of the seller's business, including introductory pricing, seasonal or clearance sales, and advertised promotional events;

(5) the imposition, repeal, or adjustment of any tax, fee, surcharge, or assessment imposed by federal, State, or local law, or any pass-through of such amounts to the consumer;

(6) variations in shipping, delivery, or handling costs, including fuel surcharges and carrier rate changes, and any pass-through of such costs to the consumer;

(7) loyalty, membership, or rewards programs, including differentiated pricing based on participation in the programs, use of digital coupons, or accumulation or redemption of rewards, if the terms are disclosed and applied in a non-discriminatory manner;

(8) special discount programs, including differentiated pricing offered to individuals who meet publicly disclosed eligibility criteria, such as teachers, employees, active-duty or retired military personnel, senior citizens, and students;

(9) any fees, surcharges, or other charges that are imposed or set by third parties, including payment processors, delivery platforms, or other intermediaries, and any pass-through of such amounts to the consumer; or

(10) any other bona fide price change that is reasonably attributable to legitimate business considerations, including changes in market demand, competitive conditions, or the seller's cost structure, if the price change is applied in a non-discriminatory manner to similarly situated consumers.

(b) This Act does not apply to algorithmic pricing models that do not use personal data, including models based on aggregate market demand.

(c) This Act does not apply to:

(1) any insurer or affiliate of the insurer or any artificial intelligence system, algorithmic pricing system, or surveillance pricing system deployed by or on behalf of an insurer or affiliate of the insurer; or

(2) providers of financial services, including, but not limited to, financial institutions, financial institution affiliates, broker-dealers, registered investment advisors, and entities that provide consumer credit products, including credit cards, personal loans, and mortgages.

The provisions of paragraph (1) apply to any insurer or affiliate of the insurer that is regulated by the Department of Insurance. Nothing in the paragraph shall be construed to delegate regulatory oversight over any insurer or affiliate of an insurer to any State agency other than the Department of Insurance.

Section 35. Enforcement. A violation of any of the provisions of this Act is an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General by that Act shall be available to him or her for the enforcement of this Act.

Section 40. Home rule. The regulation of algorithmic pricing, surveillance pricing, or any other similar pricing mechanism is an exclusive power and function of the State. A home rule unit may not regulate algorithmic pricing, surveillance pricing, or any other similar pricing mechanism. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

Section 45. Rulemaking. The Attorney General shall adopt rules to implement and administer this Act.

Section 50. Relation to other laws. Nothing in this Act shall be construed to limit any federal or State law.

Section 90. The Consumer Fraud and Deceptive Business Practices Act is amended by adding Section 2MMMM as follows:

(815 ILCS 505/2MMMM new)

Sec. 2MMMM. Violations of the Algorithmic Pricing Transparency Act.

(a) As used in this Section:

"Covered entity" has the meaning set forth in the Algorithmic Pricing Transparency Act.

"Expeditiously" has the same meaning set forth in 17 U.S.C. 512.

(b) A covered entity that violates the Algorithmic Pricing

Transparency Act commits an unlawful practice within the meaning of this Act.

(c) The provisions of Section 10a apply to a violation of the Algorithmic Pricing Transparency Act if a covered entity materially contributes to, induces, or otherwise facilitates a violation of the Algorithmic Pricing Transparency Act after having obtained actual knowledge that the covered entity is violating the Algorithmic Pricing Transparency Act. This subsection does not apply if the covered entity: (1) does not have actual knowledge that a price increase was set using surveillance pricing in violation of the Algorithmic Pricing Transparency Act; (2) in the absence of actual knowledge, does not willfully disregard facts or circumstances that would create actual knowledge; or (3) upon obtaining actual knowledge, facts or circumstances that would create actual knowledge, or written notification of claimed unauthorized activity, acts expeditiously to remove or disable access to the material that is the subject of infringing activity or, if the covered entity does not personally have the ability to remove or disable access to the price set, the covered entity acts expeditiously to notify the entity or person that has the ability to remove or disable access to the price.

Section 99. Effective date. This Act takes effect January 1, 2028.