By: Ezeonu

H.B. No. 1242

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain personalized dynamic pricing models used by retailers doing business in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 125 to read as follows:

CHAPTER 125. PERSONALIZED DYNAMIC PRICING

Sec. 125.001. DEFINITIONS. In this chapter:

(1) "Consumer," "goods," and "services" have the meanings assigned by Section 17.45.

(2) "Dynamic pricing model" means a pricing model that uses an algorithm or other metric to determine the price of a good or service based on variables related to the market or a consumer.

(3) "Personal identifying information" means any information, including sensitive information, that is linked or reasonably linkable to an identified or identifiable individual.

Sec. 125.002. APPLICABILITY. This chapter applies to:

(1) a retailer in this state that conducts business on a physical premises; and

(2) an online retailer that conducts business in this state.

Sec. 125.003. PROHIBITION ON CERTAIN DYNAMIC PRICING MODELS. (a) A person may not use a dynamic pricing model to determine the price of a good or service if the model:

(1) uses personal identifying information or other unique qualities of the consumer as an input; and

(2) determines a price that is unique to the consumer.

(b) This section may not be construed to prohibit:

(1) promotional pricing, loyalty benefits, clearance sales, or other temporary discounts that are:

(A) available to multiple consumers on the same terms; and

(B) intended to attract or retain customers;

(2) price variation related to identifiable costs attributable to providing retail services; or

(3) price fluctuations applicable to all customers at a retail location.

Sec. 125.004. ENFORCEMENT. A violation of this chapter is a deceptive trade practice under Subchapter E, Chapter 17, and is actionable under that subchapter.

SECTION 2. This Act takes effect September 1, 2027.