STATE OF NEW YORK

1417--B

2025-2026 Regular Sessions

IN ASSEMBLY

January 9, 2025

Introduced by M. of A. ROSENTHAL -- read once and referred to the Committee on Housing -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to the use of algorithmic pricing by a landlord for the purpose of determining the amount of rent to charge a residential tenant

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new section 340-b to read as follows:

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- § 340-b. Agreements to not compete with respect to residential rental dwelling units. 1. As used in this section, the following terms shall have the following meanings:
- (a) "Algorithm" means a computational process that uses a set of rules to define a sequence of operations.
- (b) "Algorithmic device" means any machine, device, computer program 9 or computer software that on its own or with human assistance performs a 10 coordinating function.
- 11 (c) "Coordinating function" means performing all of the following 12 <u>subfunctions</u>, <u>provided</u>, <u>however</u>, <u>that a product used for the purpose of</u> establishing rent or income limits in accordance with the emergency 13 tenant protection act of nineteen seventy-four, as amended, the rent 14 15 stabilization law of nineteen sixty-nine, as amended, the city rent and rehabilitation law, the emergency housing rent control law, or an 16 17 affordable housing program administered by a federal, state, or local 18 government or other political subdivision shall not be considered to be performing a coordinating function: 19
- 20 (i) collecting historical or contemporaneous prices, supply levels, or 2.1 lease or rental contract termination and renewal dates of residential

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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dwelling units from two or more residential rental property owners or managers, provided that at least two such residential rental property owners or managers are not wholly-owned subsidiaries of the same parent entity or otherwise owned or managed by the same residential rental 5 property owner or manager;

- (ii) analyzing or processing the information described in subparagraph (i) of this paragraph using a system, software, or process that uses computation, including by using that information to train an algorithm; and
- 10 (iii) recommending rental prices, lease renewal terms, ideal occupancy 11 levels, or other lease terms and conditions to a residential rental 12 property owner or manager.
- (d) "Residential rental property owner or manager" means any individ-14 ual or entity that owns or is a beneficial owner of, directly or indirectly, in whole or in part, or manages one or more residential rental dwelling units in New York state.
- 17 2. It shall be an unlawful violation of this article for a person or entity to knowingly or with reckless disregard facilitate an agreement 18 between or among two or more residential rental property owners or 19 20 managers to not compete with respect to residential rental dwelling 21 units, including by operating or licensing a software, data analytics service, or algorithmic device that performs a coordinating function on 22 behalf of or between and among such residential rental property owners 23 24 or managers.
- 25 3. It shall be considered an unlawful agreement in violation of this article for a residential rental property owner or manager to knowingly 26 27 or with reckless disregard set or adjust rental prices, lease renewal terms, occupancy levels, or other lease terms and conditions in one or 28 more of their residential rental properties based on recommendations 29 30 from a software, data analytics service, or algorithmic device perform-31 ing a coordinating function.
- 32 4. Nothing in this section shall impair or limit the applicability of 33 any other part of this article or any other state law.
- 34 § 2. This act shall take effect on the sixtieth day after it shall 35 have become a law.