

STATE OF NEW YORK

9028

2025-2026 Regular Sessions

IN ASSEMBLY

September 5, 2025

Introduced by M. of A. ROSENTHAL -- read once and referred to the
Committee on Judiciary

AN ACT to amend the real property law, in relation to the use of virtual
agents and AI tools in property searches

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

1 Section 1. Section 440 of the real property law is amended by adding
2 four new subdivisions 7, 8, 9 and 10 to read as follows:

3 7. "Virtual agent" means an autonomous computational system that
4 utilizes artificial intelligence or similar algorithmic systems to
5 interact with users seeking properties for sale or rental properties to
6 facilitate their search, including but not limited to answering ques-
7 tions, acting as chatbots, providing property information, offering
8 recommendations, guiding users through properties via audio and visual
9 experiences including virtual tours and narrated walkthroughs, schedul-
10 ing viewings, and assisting with rental housing applications.

11 8. "Artificial intelligence tools" or "AI tools" means an autonomous
12 computational system that uses artificial intelligence or similar algo-
13 rithmic systems to provide functions for an online housing platform,
14 other than acting as a virtual agent, including but not limited to,
15 captioning services and displaying housing-related advertisements to
16 users of such online housing platform.

17 9. "Disparate impact analysis" means an impartial evaluation conducted
18 by an independent auditor. Such disparate impact analysis shall include,
19 but not be limited to, testing of the extent to which use of an auto-
20 mated decision tool is likely to result in an adverse impact to the
21 detriment of any group on the basis of sex, race, ethnicity, or other
22 protected class under this article. A disparate impact analysis
23 conducted for a virtual agent shall analyze (i) whether such virtual
24 agent's actual or predicted output differs based on one or more of an
25 individual user's characteristics protected by the human rights law

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

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1 under article fifteen of the executive law, (ii) whether such differen-
2 tiation is necessary to achieve one or more substantial, legitimate, and
3 nondiscriminatory interests, and (iii) whether such interests could not
4 be served by another practice that has a less discriminatory effect.

5 10. "Online housing platform" shall mean any website, application, or
6 digital service that facilitates the advertisement and/or listing of
7 housing accommodations for rent and/or sale within the state.

8 § 2. The real property law is amended by adding a new section 442-m to
9 read as follows:

10 § 442-m. Virtual agents and AI tools in property searches. 1. No less
11 than annually, any real estate broker or online housing platform that
12 uses virtual agents to assist with searches for available properties for
13 sale or rental properties, and any online housing platform that uses AI
14 tools, shall have a disparate impact analysis conducted and shall submit
15 a summary of the most recent disparate impact analysis to the attorney
16 general's office.

17 2. Any real estate broker or online housing platform that offers or
18 uses virtual agents or AI tools shall:

19 (a) proactively identify discriminatory algorithmic results and modify
20 such virtual agents or AI tools to adopt less discriminatory alterna-
21 tives, including but not limited to, assessing data used to train such
22 virtual agents or AI tools and verifying that use of such data does not
23 predict discriminatory outcomes;

24 (b) ensure that the artificial intelligence or other computational or
25 algorithmic systems upon which such virtual agents or AI tools are
26 structured are similarly predictive across groups on the basis of sex,
27 race, ethnicity or other protected classes, and make adjustments to
28 correct any identified disparities in predictiveness for any such
29 groups; and

30 (c) conduct regular end-to-end testing of advertising, captioning, and
31 chatbot systems to ensure that any discriminatory outcomes are detected,
32 including but not limited to, comparing the delivery of advertisements
33 across different demographic audiences.

34 3. Any real estate broker or online housing platform that uses AI
35 tools shall:

36 (a) ensure that housing-related advertisements or captioning are
37 conducted in separate generative processes and have a specialized inter-
38 face designed to avoid discrimination in audience selection and/or
39 advertisement delivery;

40 (b) avoid providing targeted options for housing-related advertise-
41 ments or captioning that directly describes or relates to character-
42 istics protected under New York state law relating to housing, or any
43 substantially similar characteristics, individually or in combination;

44 (c) ensure that delivery of advertisements and captioning systems do
45 not result in differential charges to customers across groups on the
46 basis of sex, race, ethnicity or other protected classes, or charge more
47 to advertisers to deliver advertisements that are compliant with this
48 paragraph; and

49 (d) document, retain, and provide public-facing reporting on such real
50 estate broker's or online housing platform's website, information on
51 compliance with this subdivision, and any internal auditing methods used
52 for such compliance.

53 § 3. This act shall take effect immediately.