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 Assembly, do enact as follows:

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

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

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

9. "Disparate impact analysis" means an impartial evaluation conducted by an independent auditor. Such disparate impact analysis shall include, but not be limited to, testing of the extent to which use of an automated decision tool is likely to result in an adverse impact to the detriment of any group on the basis of sex, race, ethnicity, or other protected class under this article. A disparate impact analysis conducted for a virtual agent shall analyze (i) whether such virtual agent's actual or predicted output differs based on one or more of an 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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under article fifteen of the executive law, (ii) whether such differentiation is necessary to achieve one or more substantial, legitimate, and nondiscriminatory interests, and (iii) whether such interests could not be served by another practice that has a less discriminatory effect.

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

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

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

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

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

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

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

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

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

(b) avoid providing targeted options for housing-related advertisements or captioning that directly describes or relates to characteristics protected under New York state law relating to housing, or any substantially similar characteristics, individually or in combination;

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

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

§ 3. This act shall take effect immediately.