

STATE OF NEW YORK

1573

2025-2026 Regular Sessions

IN SENATE

January 10, 2025

Introduced by Sens. KRUEGER, CLEARE -- read twice and ordered printed,
and when printed to be committed to the Committee on Judiciary

AN ACT to amend the real property law, in relation to prohibiting the
use of algorithmic systems to artificially inflate the price or reduce
the supply of leased or rented residential dwelling units in the state

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York Preventing the Algorithmic Facilitation of Rental Housing
3 Cartels Act of 2024".

4 § 2. The real property law is amended by adding a new section 222-a to
5 read as follows:

6 § 222-a. Algorithmic systems. 1. As used in this section:

7 (a) "Consciously parallel pricing coordination" means a tacit agree-
8 ment between two or more rental property owners to raise, lower, change,
9 maintain, or manipulate pricing for the purchase or sale of reasonably
10 interchangeable products or services.

11 (b) "Coordinating function" means:

12 (i) collecting historical or contemporaneous prices, supply levels, or
13 lease or rental contract termination and renewal dates of residential
14 dwelling units from two or more rental property owners;

15 (ii) analyzing or processing of the information described in subpara-
16 graph (i) of this paragraph using a system, software, or process that
17 uses computation, including by using that information to train an algo-
18 rithm; and

19 (iii) recommending rental prices, lease renewal terms, or ideal occu-
20 pancy levels to a rental property owner.

21 (c) "Coordinator" means any person that operates a software or data
22 analytics service that performs a coordinating function for any rental
23 property owner, including a rental property owner performing a coordi-
24 nating function for their own benefit.

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

LBD03759-01-5

1 (d) "Division" means the division of housing and community renewal.

2 (e) "Person" means any individual, corporation, partnership, associ-
3 ation, trustee, municipality or other legal entity, including corpo-
4 rations and associations existing under or authorized by the laws of
5 either the United States, the laws of any of the territories, the laws
6 of any state, or the laws of any foreign country; provided that "person"
7 shall not include the state or any state agency.

8 (f) "Pre-dispute arbitration agreement" means an agreement between two
9 or more parties to arbitrate a dispute between the parties that is made
10 before any dispute has arisen.

11 (g) "Pre-dispute joint action waiver" means an agreement between two
12 or more parties, which may be part of a pre-dispute arbitration agree-
13 ment, that:

14 (i) would prohibit or waive the right of a party to participate in a
15 joint, class, or collective action in a judicial, arbitral, administra-
16 tive, or other forum relating to a dispute between two parties; and

17 (ii) is made before any dispute has arisen.

18 (h) "Residential dwelling unit" means any house, apartment, accessory
19 unit, or other unit intended to be used as a primary residence; provided
20 that "residential dwelling unit" does not include inpatient medical
21 care, licensed long-term care, and detention or correctional facilities.

22 (i) "Rental property owner" means any individual, corporation, part-
23 nership, association, joint-stock company, trust, or unincorporated
24 organization that owns real property and leases or rents such property
25 or any portion thereof in the form of four or more residential dwelling
26 units.

27 2. It is unlawful for:

28 (a) a rental property owner, in or affecting commerce, or any agent or
29 subcontractor thereof, to subscribe to, contract with, or otherwise
30 exchange anything of value in return for the services of a coordinator;

31 (b) a coordinator, in or affecting commerce, to facilitate an agree-
32 ment among rental property owners to not compete with respect to resi-
33 dential dwelling units, including by performing a coordinating function;
34 or

35 (c) any coordinator, in or affecting commerce, to acquire, directly or
36 indirectly, the whole or any part of the stock or other share capital of
37 another coordinator if the acquisition would create an appreciable risk
38 of materially lessening competition, or tend to create a monopoly or
39 monopsony, and any such acquisition shall be deemed a violation of this
40 section.

41 3. (a) In addition to any other action or proceeding authorized by
42 law, the attorney general may bring an action or special proceeding in
43 the supreme court, in the name and on behalf of the people of the state
44 of New York, against a person violating the provisions of this section
45 to enjoin such person from continuing the violation or engaging in any
46 acts in furtherance thereof, to compel compliance with the provisions of
47 this section and/or to recover any monetary penalty for such violation.
48 Any such action or proceeding may be compromised or discontinued on
49 application of the department upon such terms as the court shall approve
50 and order.

51 (b) If the department has reason to believe that a person violated
52 this section, the department may commence a civil action, in its own
53 name by any of its attorneys designated by it for such purpose, to
54 recover a civil penalty and seek other appropriate relief in any court
55 of competent jurisdiction.

1 (c) All monies recovered in any such action or special proceeding,
2 together with the costs thereof shall be paid into the state treasury to
3 the credit of the general fund.

4 4. In a civil action under this section, a complaint:

5 (a) plausibly pleads a violation of this section and if the complaint
6 contains factual allegations, including allegations of consciously
7 parallel pricing coordination, demonstrating that the existence of a
8 contract, combination in the form of trust or otherwise, or conspiracy
9 in restraint of trade or commerce is among the realm of plausible possi-
10 bilities; and

11 (b) need not allege facts tending to exclude the possibility of inde-
12 pendent action.

13 5. A pre-dispute arbitration agreement or pre-dispute joint action
14 waiver relating to a violation of this section shall be invalid or unen-
15 forceable.

16 6. Nothing in this section shall be construed to preempt any state,
17 tribal, city, or local law, regulation, or ordinance that explicitly
18 supplements this section.

19 § 3. Severability. If any clause, sentence, paragraph, subdivision,
20 section or part of this act shall be adjudged by any court of competent
21 jurisdiction to be invalid, such judgment shall not affect, impair, or
22 invalidate the remainder thereof, but shall be confined in its operation
23 to the clause, sentence, paragraph, subdivision, section or part thereof
24 directly involved in the controversy in which such judgment shall have
25 been rendered. It is hereby declared to be the intent of the legislature
26 that this act would have been enacted even if such invalid provisions
27 had not been included herein.

28 § 4. This act shall take effect immediately.