

LFC Requester:	Jeannae Leger
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/31/2025 *Check all that apply:*
Bill Number: HB 215 Original Correction
 Amendment Substitute

Sponsor: Andrea Romero and Angelica Rubio **Agency Name and Code:** 992 – New Mexico Mortgage Finance Authority
Short Title: NO USE OF AI FOR RENT MANIPULATION **Number:** (Housing New Mexico | MFA)
Person Writing: Robyn Powell **Phone:** 505-767-2271 **Email:** rpowell@housingnm.o

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	NA	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$0	\$0	\$0	\$0	\$0

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 215 amends the Uniform Owner-Resident Relations Act by incorporating a ban on the use of artificial intelligence (AI) to manipulate rent pricing. Specifically, it makes it illegal for landlords or property owners to use AI-driven services that coordinate or recommend rental prices based on shared market data. The bill would make it unlawful for:

1. Property owners to subscribe to AI-based rent pricing services.
2. Coordinators (AI service providers) to facilitate agreements that restrict rental competition.
3. Multiple landlords to engage in implicit price coordination.

The bill also allows individuals harmed by violations to sue in court.

FISCAL IMPLICATIONS

House Bill 215 does not appropriate state funds or generate revenue for the state.

SIGNIFICANT ISSUES

HB 215 aims to curb anti-trust behavior created by AI-driven platforms that enable landlords to coordinate rental prices, leading to artificially inflated rents. Several jurisdictions have enacted or proposed bans on the use of algorithmic pricing tools in the rental housing market:

- **San Francisco:** In July 2024, San Francisco became the first city to ban the sale or use of algorithmic devices to set rents or manage occupancy levels.
- **Philadelphia:** In September 2024, the Philadelphia City Council passed a ban on algorithmic rental price-fixing with a veto-proof vote.
- **Virginia:** In January 2025, Virginia lawmakers introduced a bill (VA HB 2047) that would prohibit landlords from using algorithmic pricing devices to restrain the rental housing market in ways that constitute an unfair method of competition.
- **New Jersey:** Lawmakers have introduced legislation specific to housing and AI, alleging that AI tools used to price rent for tenants create potential price coordination when used by a high percentage of landlords in an area.
- **Washington State:** In January 2025, a bill was introduced to ban landlords from using software that compiles data from their operations and other sources to get automated recommendations on rental rates.

Critics of bans argue that AI pricing tools *may* discourage investment in rental housing markets. Investors might perceive these regulations as unfavorable, potentially leading to reduced development of new rental properties and exacerbating housing shortages.

PERFORMANCE IMPLICATIONS

Demonstrating that landlords are engaging in price-fixing through AI tools is legally complex. Traditional antitrust laws require evidence of explicit agreements between parties, but AI algorithms can facilitate implicit coordination without direct communication, complicating

enforcement efforts.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS