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| LFC Requester: | Emily Hilla |
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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: 31 JAN 2025 *Check all that apply:*
Bill Number: H 215 Original Correction
 Amendment Substitute

Sponsor: Romero and Rubio **Agency Name and Code:** N/A
Short Title: Artificial Intelligence to Manipulate Rent Pricing **Number:** _____
Person Writing: Taylor Cook **Phone:** (505)469-2755 **Email:** Taylor.cook@exec.nm.gov

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 | NA | NA | NA | NA | NA | NA |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

SECTION III: NARRATIVE

BILL SUMMARY

This bill would add a new section to the Uniform Owner-Resident Relations Act to make it unlawful for a rental property owner or their agent to use a coordinator, or for a coordinator to facilitate an agreement among owners of separate properties in a way that restricts competition, or for two or more rental property owners to engage in parallel pricing coordination. Coordinators are defined as a person who operates a software or data analytics service that performs “coordinating functions,” which are the collecting and analyzing historical or contemporaneous pricing data to recommend rent prices, lease terms, or occupancy levels. The bill provides a right of action for those injured by these unlawful actions.

FISCAL IMPLICATIONS

NA

SIGNIFICANT ISSUES

The practices in question rose to national attention when the Department of Justice and several states brought an antitrust case against RealPage and several major landlord companies in 2024, which alleges that RealPage contracts with competing landlords who agree to share with RealPage nonpublic, competitively sensitive information about their apartment rental rates and other lease terms to train and run RealPage’s algorithmic pricing software, which then generates recommendations, including on apartment rental pricing and other terms, for participating landlords based on their and their rivals’ competitively sensitive information.¹

The lawsuit is still ongoing. However, it is unclear whether the Department of Justice will continue to pursue the litigation under the new presidential administration. Further, this lawsuit will not directly impact non-parties, who will continue to use these practices. Enacting this law will allow for state and individual level enforcement to ensure that these practices do not continue in New Mexico.

PERFORMANCE IMPLICATIONS

NA

ADMINISTRATIVE IMPLICATIONS

NA

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

NA

TECHNICAL ISSUES

NA

OTHER SUBSTANTIVE ISSUES

There are not requirements to include the law in trainings or to provide notification to rental property owners. It may be useful to require a relevant agency to provide trainings or put out information in order to inform landlords of this new law.

¹ <https://www.justice.gov/opa/pr/justice-department-sues-realpage-algorithmic-pricing-scheme-harms-millions-american-renters>.

ALTERNATIVES

Other possibilities to protect tenants from rental property owners seeking excessive rents include rent control or stabilization laws. These would have to be carefully designed to achieve the objective for tenants and not suppress the production of new rental properties.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the practice of rental property owners to collude on rents remains unchecked.

AMENDMENTS