

By: Talarico

H.B. No. 2491

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain algorithmic devices in the determination of residential rental prices.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 121 to read as follows:

CHAPTER 121. ALGORITHMIC DEVICES USED TO DETERMINE RENT

Sec. 121.001. DEFINITIONS. In this chapter:

(1) "Algorithmic device" means a device that uses one or more algorithms to perform calculations of data. The term includes a product that incorporates an algorithmic device. The term does not include:

(A) a report published periodically and not more frequently than monthly by a trade association that receives and publishes data in an aggregated and anonymous manner; or

(B) a product used for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a political subdivision, this state, or the federal government.

(2) "Nonpublic competitor data" means information that:

(A) is not widely available or easily accessible to the public, including information about actual rent prices, occupancy rates, and lease start and end dates, regardless of

1 whether the data is attributable to a specific competitor or  
2 anonymized; and

3 (B) is derived from or otherwise provided to a  
4 person by another person that competes in the same or a related  
5 market.

6 Sec. 121.002. APPLICABILITY. (a) This chapter does not  
7 apply to an algorithmic device that uses, incorporates, or was  
8 trained with nonpublic competitor data if the data includes  
9 nonpublic executed lease data that is also made available to the  
10 public in an aggregated and anonymous manner at no more than a  
11 reasonable charge.

12 (b) For purposes of this section, data made available to the  
13 public in an aggregated and anonymous manner includes nonpublic  
14 executed lease data tailored for the benefit of and usefulness to  
15 consumers and presented as a range of average rent prices for  
16 properties in a geographic area defined by its zip code,  
17 neighborhood, geographical radius, or other type of apartment  
18 industry submarket.

19 Sec. 121.003. CERTAIN ACTIONS RELATING TO ALGORITHMIC  
20 DEVICES USED IN DETERMINING RESIDENTIAL RENT PROHIBITED. (a) The  
21 sale of algorithmic device services or products for the purpose of  
22 setting or recommending the amount of rent to be charged to a tenant  
23 for residential premises is prohibited.

24 (b) A person engaged in the business of providing  
25 algorithmic device services or products for the purpose of advising  
26 a landlord of the amount of rent that the landlord may consider  
27 charging a tenant for residential premises may not use nonpublic

1 competitor data pertaining to residential properties in this state  
2 in algorithmic calculations.

3 Sec. 121.004. DECEPTIVE TRADE PRACTICE. A violation of  
4 Section 121.003 is a deceptive trade practice actionable under  
5 Subchapter E, Chapter 17.

6 SECTION 2. This Act takes effect September 1, 2025.