By: Lopez-Resendez H.B. No. 950

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

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

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

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

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

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

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

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

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

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