

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 970
Apr 10, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40497-NO-60A

Short Title: Preventing Algorithmic Rent Fixing. (Public)

Sponsors: Representative Longest.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PREVENT ALGORITHMIC RENT FIXING IN THE RENTAL HOUSING
3 MARKET.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 42 of the General Statutes is amended by adding a new Article
6 to read:

7 "Article 8.

8 "Prevention of Algorithmic Rent Fixing.

9 "§ 42-80. Definitions.

10 The following definitions apply in this Article:

- 11 (1) Coordinate or coordinating function. – Any of the following with respect to a
12 service provider:
13 a. Collecting of historical or contemporaneous prices, price changes,
14 supply levels, occupancy rates, or lease or rental contract termination
15 and renewal dates of residential dwelling units from two or more real
16 estate lessors or from public databases.
17 b. Analyzing or processing of the information described in
18 sub-subdivision a. of this subdivision using a system, software, or
19 process that uses computation.
20 c. Recommending rental prices, lease terms, or occupancy levels to a real
21 estate lessor.
22 d. Using a pricing algorithm that uses, incorporates, or was trained with
23 nonpublic competitor data to set the amount of rent for a residential
24 dwelling unit or any other commercial term contained within a
25 residential rental agreement.
26 (2) Nonpublic competitor data. – Nonpublic data that is derived from or otherwise
27 provided by another person that competes in the same market as a person, or
28 a related market. This term does not include information distributed, reported,
29 or otherwise communicated in a way that does not reveal any underlying data
30 from a competitor, such as narrative industry reports, news reports, business
31 commentaries, or generalized industry survey results.
32 (3) Nonpublic data. – Information that is not widely available or easily accessible
33 to the public, including information about price, commercial terms, and
34 related products or services, regardless of whether the data is attributable to a
35 specific competitor or anonymized.
36 (4) Person. – As defined in G.S. 12-3.



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- 1 (5) Pre-dispute arbitration agreement. – An agreement to arbitrate a dispute that
2 has not yet arisen at the time of the making of the agreement.
- 3 (6) Pre-dispute joint-action waiver. – An agreement, whether or not part of a
4 pre-dispute arbitration agreement that would prohibit, or waive the right of,
5 one of the parties to the agreement to participate in a joint, class, or collective
6 action in a judicial, arbitral, administrative, or other forum, concerning a
7 dispute that has not yet arisen at the time of the making of the agreement.
- 8 (7) Pricing algorithm. – Any process using calculations that analyzes data for the
9 purpose of recommending or setting prices or commercial terms, including
10 processes that utilize machine learning or other artificial intelligence
11 techniques.
- 12 (8) Real estate lessor. – Any individual, corporation, partnership, association,
13 joint-stock company, trust, or unincorporated organization that owns and
14 leases real property or any portion thereof in the form of a residential dwelling
15 unit.
- 16 (9) Residential dwelling unit. – Any house, apartment, accessory unit, or other
17 housing unit intended to be used as a person's primary residence. This term
18 does not include inpatient medical care, licensed long-term care, or detention
19 or correctional facilities.
- 20 (10) Service provider. – A person that provides a coordinating function for a real
21 estate lessor.

22 **"§ 42-81. Unlawful coordination.**

23 (a) It is unlawful for any real estate lessor, or any agent or subcontractor of a real estate
24 lessor, within North Carolina to subscribe to, contract for, or otherwise exchange anything of
25 value in return for coordinating functions.

26 (b) It is unlawful for any service provider to facilitate an agreement to not compete among
27 real estate lessors with respect to residential dwelling units within the State of North Carolina.

28 **"§ 42-82. Enforcement.**

29 (a) A violation of any provision of this Article constitutes an unfair or deceptive trade
30 practice under G.S. 75-1.1. Any party aggrieved by a violation of this Article may bring a cause
31 of action against the real estate lessor or service provider, as appropriate, and is entitled to the
32 relief available in Chapter 75 of the General Statutes. The Attorney General is hereby empowered
33 to enforce this Article as allowed by Chapter 75 of the General Statutes.

34 (b) Notwithstanding any other provision of law, at the election of the person alleging
35 conduct constituting a violation of this section, or the named representative of a class in a
36 collective action alleging such conduct, no pre-dispute arbitration agreement or pre-dispute
37 joint-action waiver shall be valid or enforceable with respect to a case which relates to a violation
38 of this Article."

39 **SECTION 2.** This act becomes effective October 1, 2025, and applies to acts or
40 omissions occurring on or after that date.