House of Representatives

General Assembly

File No. 753

January Session, 2025

Substitute House Bill No. 7209

House of Representatives, April 23, 2025

The Committee on Judiciary reported through REP. STAFSTROM of the 129th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LEGAL PROCEEDINGS INVOLVING HOUSING MATTERS AND THE IMPERMISSIBLE USE OF PRICING ALGORITHMS AND COMPETITORS' SENSITIVE DATA TO SET RENTAL PRICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 3-129g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Attorney General may investigate, intervene in or bring a civil or administrative action in the name of the state, seeking injunctive or declaratory relief, damages, and any other relief that may be available under law, whenever any person is or has engaged in a practice or pattern of conduct that:

(1) Subjects, or causes to be subjected, other persons to the deprivation of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States; or

(2) Interferes, or attempts to interfere, by threats, intimidation or

coercion, with the exercise or enjoyment by other persons of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States.

(b) In conducting any investigation under this section, the Attorney General may issue subpoenas and interrogatories, and otherwise gather information, in the same manner and to the same extent as is provided in section 35-42. No information obtained pursuant to the provisions of this subsection may be used in a criminal proceeding.

(c) If the Attorney General prevails in a civil action brought pursuant to this section, the court shall order the distribution of any award of damages to the injured person. In a matter involving the interference or attempted interference with any right protected by the constitutions of this state or the United States, the court may also award civil penalties against each defendant in an amount not exceeding two thousand five hundred dollars for each violation, provided such violation has been established by clear and convincing evidence. Any civil penalty that is received pursuant to this subsection shall be deposited in the General Fund.

(d) In lieu of bringing a civil action under this section, the Attorney General may accept an assurance of the discontinuance of any allegedly unlawful or unconstitutional practice from any person engaged in such practice. Thereafter, any evidence of a violation of such assurance shall constitute prima facie proof of violation of the applicable law or right in any action commenced by the Attorney General.

(e) Nothing in this section shall limit the right of a person adversely affected by a violation of chapter 814c to file a complaint with the Commission on Human Rights and Opportunities.

(f) Nothing in this section shall limit the jurisdiction of the Commission on Human Rights and Opportunities under chapter 814c.

(g) The Attorney General shall not bring an action under the provisions of this section during the pendency of a matter involving the

same parties and the same alleged facts and circumstances before the Commission on Human Rights and Opportunities.

(h) Nothing in this section shall permit the Attorney General to bring an action that would otherwise be barred under the applicable statute of limitations or repose.

(i) The Attorney General shall post on the Attorney General's Internet web site information on how to properly file a complaint with the Commission on Human Rights and Opportunities. The Attorney General may, as appropriate, refer cases to the Commission on Human Rights and Opportunities.

(j) Nothing in this section shall permit the Attorney General to assert any claim against a state agency or a state officer or state employee in such officer's or employee's official capacity, regarding actions or omissions of such state agency, state officer or state employee. If the Attorney General determines that a state officer or state employee is not entitled to indemnification under section 5-141d, the Attorney General may, as relates to such officer or employee, take any action authorized under this section.

(k) With regard to any action brought pursuant to this section against a person for a pattern or practice of conduct in violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, or, as a result of an investigation conducted pursuant to this section, of a potential violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, the Attorney General may petition the superior court for the judicial district in which the violation or alleged violation occurred for any relief available under section 46a-89.

Sec. 2. Subsection (g) of section 8-30g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(g) Upon an appeal taken under subsection (f) of this section, the burden shall be on the commission to prove, based upon the evidence in the record compiled before such commission, that the decision from

which such appeal is taken and the reasons cited for such decision are supported by sufficient evidence in the record. The commission shall also have the burden to prove, based upon the evidence in the record compiled before such commission, that (1) (A) the decision is necessary to protect substantial public interests in health, safety or other matters which the commission may legally consider; (B) such public interests clearly outweigh the need for affordable housing; and (C) such public interests cannot be protected by reasonable changes to the affordable housing development, or (2) (A) the application which was the subject of the decision from which such appeal was taken would locate affordable housing in an area which is zoned for industrial use and which does not permit residential uses; and (B) the development is not assisted housing. If the commission does not satisfy its burden of proof under this subsection, the court shall wholly or partly revise, modify, remand or reverse the decision from which the appeal was taken in a manner consistent with the evidence in the record before it. In addition, if the court finds, after a hearing, that the commission's decision denying an affordable housing application or approving such application with restrictions which have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units in a set-aside development was made in bad faith or to cause undue delay, the court may award reasonable attorney's fees to the person who filed the appeal under subsection (f) of this section.

Sec. 3. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Algorithmic device" means a device commonly known as revenue management software that uses one or more algorithms to perform calculations of nonpublic competitor data concerning local or state-wide rents or occupancy levels, for the purpose of advising a landlord on (A) whether to leave a unit vacant; or (B) the amount of rent that the landlord may obtain for a unit. "Algorithmic device" includes a product that incorporates an algorithmic device, but does not include: (i) A report that publishes existing rental data in an aggregated manner but does not recommend rental rates or occupancy levels for future

leases; or (ii) a product used for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a local, state or federal program.

(2) "Nonpublic competitor data" means information that is not available to the general public, including information about actual rent amounts, occupancy rates, lease start and end dates and other similar data, regardless of whether the information is (A) attributable to a specific competitor or anonymized, and (B) derived from or otherwise provided by another person that competes in the same or a related market.

(b) It shall be an unlawful practice in violation of chapter 624 of the general statutes for any person to use an algorithmic device to set rental rates or occupancy levels for residential dwelling units.

(c) Any violation of subsection (b) of this section shall be subject to the investigation and enforcement provisions of chapter 624 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2025*	3-129g
Sec. 2	*October 1, 2025*	8-30g(g)
Sec. 3	*October 1, 2025*	New section

JUD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to housing laws resulting in the potential revenue gains described below.

Section 1 expands the office of the Attorney Generals (OAG) existing judicial relief for the states housing and public accommodation anti-discrimination laws, which includes issuing a civil penalty of $10,000 to $50,000, resulting in a potential revenue gain to the state to the extent violations occur.

Section 3 makes it a violation of the Connecticut Antitrust Act to use an algorithmic device to set rental rates or occupancy levels, and subject's violators to a civil penalty of up to $100,000 for an individual and up to $1 million for a business resulting in a potential revenue gain to the state to the extent violations occur.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

OLR Bill Analysis

sHB 7209

AN ACT CONCERNING LEGAL PROCEEDINGS INVOLVING HOUSING MATTERS AND THE IMPERMISSIBLE USE OF PRICING ALGORITHMS AND COMPETITORS' SENSITIVE DATA TO SET RENTAL PRICES.

SUMMARY

This bill makes unrelated changes in laws related to housing matters.

Regarding the state's housing and public accommodation anti-discrimination laws, the bill extends to the attorney general existing judicial relief that is available to the Commission on Human Rights and Opportunities (CHRO). It specifically authorizes the attorney general to ask for certain injunctive relief, punitive damages, or civil penalties against anyone who violates these anti-discrimination laws.

The judicial relief under the bill is available for actions brought by the attorney general against a person for a pattern or practice of violations or as the result of his investigation into a potential violation. The bill allows the attorney general to petition for the relief from the superior court for the judicial district where the violation or alleged violation occurred.

Regarding the affordable housing and land use appeal procedure, the bill authorizes, under certain conditions, the court to award reasonable attorney's fees to a person who appeals certain zoning or planning entity decisions to deny, or approve with certain restrictions, an application to develop affordable housing. The court may do so if, after a hearing, it finds that the entity's decision was made in bad faith or to cause undue delay.

Lastly, the bill makes it an unlawful practice in violation of the Connecticut Antitrust Act for anyone to use an algorithmic device

(commonly known as revenue management software, see below) to set rental rates or occupancy levels for residential dwelling units. It subjects violators to the act's investigation and enforcement provisions, including a civil penalty up to (1) $100,000 for an individual and (2) $1 million for any other violator (e.g., a business).

EFFECTIVE DATE: October 1, 2025

§ 1 — PUBLIC ACCOMMODATION AND HOUSING DISCRIMINATION

Attorney General's Authority

The law authorizes the attorney general to investigate, intervene in, or bring a civil or administrative action on the state's behalf, seeking relief and damages, whenever anyone is or has engaged in a practice or pattern of conduct that (1) deprives or causes the deprivation of a person's legal rights or immunities or (2) interferes, or attempts to interfere, by threats, intimidation, or coercion, with a person's exercise or enjoyment of their rights, privileges, or immunities secured by the laws or constitutions of Connecticut and the United States.

Petition for Relief, Damages, and Civil Penalties

Under the bill, the attorney general's petition may seek certain remedies available under a CHRO statute, which generally include:

1. appropriate injunctive relief, including temporary or permanent orders or decrees restraining and enjoining the violator from selling or renting to anyone other than the person adversely affected by the violation pending the court's decision;

2. an award of damages based on a specific calculation that accounts for, among other things, the adversely affected person's alternative housing, storage, and moving costs;

3. an award of punitive damages payable to the adversely affected person, up to $50,000;

4. a civil penalty up to $10,000, $25,000, or $50,000 payable to the

state, generally depending on the violator's number of prior discriminatory housing practices; or

5. a combination of these remedies.

CHRO Jurisdiction

Existing law, which extends to the bill's provisions, also:

1. maintains an adversely affected person's right to file a complaint with CHRO,

2. prohibits the attorney general from bringing an action concurrent with a case before CHRO that involves the same parties and alleged facts and circumstances,

3. allows the attorney general to refer cases to CHRO as appropriate, and

4. requires the attorney general to post information on his office's website about properly filing a CHRO complaint.

§ 2 — AFFORDABLE HOUSING APPEAL PROCEDURE

By law, zoning commissions, planning commissions, planning and zoning commissions, zoning boards of appeals, or municipal agencies exercising zoning or planning authority ("commission") evaluate applications to develop affordable housing in their jurisdictions. If the commission denies an application or approves it with restrictions that have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units in a set-aside development (see BACKGROUND), the applicant may appeal the decision under the affordable housing land use appeals procedures.

Under the bill, if the court finds, after a hearing, that the commission's decision was made in bad faith or to cause undue delay, the court may award reasonable attorney's fees to the applicant.

§ 3 — USE OF ALGORITHMIC DEVICES

The bill makes it an unlawful practice in violation of the Connecticut Antitrust Act for anyone to use an algorithmic device to set rental rates or occupancy levels for residential dwelling units. It subjects violators to the act's investigation and enforcement provisions, which authorize the attorney general to investigate and bring action against violators on behalf of the state and its residents.

Under the bill, an "algorithmic device" is a device commonly known as revenue management software that uses one or more algorithms to calculate nonpublic competitor data on local or statewide rents or occupancy levels, to advise a landlord on (1) whether to leave a unit vacant or (2) the amount of rent he or she could get. It includes a product that incorporates an algorithmic device, but does not include a:

1. report that publishes existing rental data in an aggregated manner but does not recommend rental rates or occupancy levels for future leases or

2. product used for establishing rent or income limits under the affordable housing program guidelines of a local, state, or federal program.

Nonpublic Competitor Data

Under the bill, "nonpublic competitor data" is information that is not available to the general public, including information about actual rent amounts, occupancy rates, lease start and end dates, and similar data, regardless of whether the information is (1) attributable to a specific competitor or anonymized and (2) derived from or otherwise provided by another person that competes in the same or a related market.

BACKGROUND

Set-Aside Development

By law, a "set-aside development" is a development in which at least 30% of the dwelling units will be conveyed by deeds containing covenants or restrictions which must require that, for at least 40 years after the proposed development's initial occupation, the dwelling units must be sold or rented at, or below, prices that will preserve the units as

housing for which persons and families pay 30% or less of their annual income, where that income is less than or equal to 80% of the median income.

In a set-aside development, of the dwelling units conveyed by deeds containing covenants or restrictions, at least 15% of all dwelling units in the development must be sold or rented to persons and families whose income is less than or equal to 60% of the median income. The rest of the dwelling units conveyed by deeds containing covenants or restrictions must be sold or rented to persons and families whose income is less than or equal to 80% of the median income (CGS § 8-30g(6)).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute
Yea 28 Nay 12 (04/04/2025)