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ASSEMBLY COMMITTEE SUBSTITUTE FOR

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STATE OF NEW JERSEY

222nd LEGISLATURE

ADOPTED JUNE 8, 2026

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SYNOPSIS

Establishes "Forbidding the Algorithmic Inflation of Rent (FAIR) Act."

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on June 23, 2026, with amendments.

(Sponsorship Updated As Of: 6/30/2026)

AN ACT concerning residential rental property pricing and supplementing P.L.1970, c.73 (C.56:9-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be known and may be cited as the "Forbidding the Algorithmic Inflation of Rent (FAIR) Act."

2. The Legislature finds and declares that:

a. New Jersey is in the midst of an affordable housing crisis, as demonstrated by rental housing industry data showing median rent for a three-bedroom apartment increasing by 35 percent in the State from 2021 through 2024 and a studio in a more urban environment such as Hoboken increasing by 61 percent in the same timeframe.

b. Data from the United States Census Bureau indicates that over 50 percent of renters in New Jersey are deemed "rent burdened," which means an individual spends more than 30 percent of income on rent.

c. Recent national data indicates that landlords of residential rental housing use property management software to collude to restrain trade and raise residential rental housing prices, which has contributed to recent increases in the State.

d. Landlords engaging with the software supply real-time prices and additional lease information to companies managing the software, who proceed to use algorithms to fix rental prices. As a result, competition decreases and rental prices increase.

e. A leading property management software company in the United States hinted at the outcome of using its software by stating on its website that it enables landlords to "outperform the market" by up to seven percent, with a company executive publicly stating that the software could be responsible for rent increases of up to 14.5 percent.

f. Property management software companies and landlords who use algorithmic systems that serve a coordinating function have been subject to public and private litigation for alleged violation of existing State and federal antitrust law.

g. Although the form of restraint of trade has evolved, the vital role of antitrust law in maintaining the competitive function of the free market remains.

h. New Jersey recognizes housing as a basic human need and endeavors to expand access to affordable housing.

3. As used in this act:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly ASL committee amendments adopted June 23, 2026.

"Affordability controls" means a restriction on rent price established pursuant to a government program, including but not limited to: the federal section 8 Housing Choice Voucher Homeownership Program, authorized pursuant to Subpart M of Part 982 of Title 24 of the Code of Federal Regulations (24 CFR 982.601 et seq.); P.L.2004, c.140 (C.52:27D-287.1 et seq.); the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.); any program administered by the New Jersey Housing and Mortgage Finance Agency; a rent control or rent leveling ordinance; or other local, State, or federal government housing program.

[1]"Algorithmic device" means a device that uses one or more algorithms to process or otherwise perform calculations of data, including, but not limited to, data concerning rental prices, material lease terms, or occupancy levels. An algorithmic device does not include: (1) a spreadsheet that (a) operates without artificial intelligence and (b) requires human analysis to process or otherwise perform calculations of data; or (2) a database that only uses an algorithm to query unprocessed data stored on or within that database.[1]

"Competitively sensitive information" means nonpublic information including, but not limited to, prices, supply levels, security deposits, ideal occupancy levels, lease contract termination, renewal dates of residential dwelling units, or any other material lease terms.

"Coordinating function" means:

(1) collecting the competitively sensitive information of two or more rental property owners for the purpose of analyzing or processing information through the use of an algorithm or other automated process, including by using the information to train an algorithm, where the algorithm or other automated process is used to set or recommend rental prices, material lease terms, or occupancy levels;

(2) setting rental prices, material lease terms, or occupancy levels pursuant to an underlying algorithm or other automated process that analyzes or processes competitively sensitive information of any other rental property owner, including by using that competitively sensitive information to train an algorithm; or

(3) setting for or recommending to two or more rental property owners: rental prices, material lease terms, or occupancy levels pursuant to the same or a substantially similar underlying algorithm or other automated process, that facilitates parallel pricing coordination.

"Coordinating function" shall not include the following:

(1) providing, using, or collecting competitively sensitive information solely for the purpose of conducting research, statistical analysis, or testing, where the competitively sensitive information is not used in setting or recommending rental prices, material lease

terms, fees, occupancy rates or levels, or other contract terms for current or future leases;

(2) developing an estimated amount of rent that is made available to the public at no cost;

(3) the use of a real estate brokerage database that is available on equal terms to subscribers that lists properties for rent or sale but does not:

(a) set or recommend rental prices, material lease terms, or occupancy rates or levels; or

(b) collect competitively sensitive information to set or recommend rental prices, material lease terms, or occupancy rates or levels; or

(4) a government entity setting or limiting rents or sale prices of residential property through affordability controls in accordance with the law.

"Coordinator" means any person who operates [1]**[**a software or data analytics service**]** algorithmic revenue management software or an algorithmic device[1] that performs a coordinating function for any rental property owner, including a rental property owner performing a coordinating function for their own benefit. "Coordinator" shall not include a government entity that sets or limits rents or sale prices of residential property through affordability controls in accordance with law.

"Nonpublic information" means information that is not available to the public at no cost. In instances where the information is combined with public information, all combined information shall be deemed nonpublic information.

"Person" means, unless the context requires otherwise, any natural person or persons, or any corporation, partnership, company, trust, or association of persons.

"Parallel pricing coordination" means a tacit or express agreement between two or more rental property owners to raise, change, maintain, or manipulate pricing for the leasing of reasonably interchangeable residential dwelling units, unless required to do so in accordance with affordability controls. This includes agreements between a coordinator and multiple property owners.

[1]"Rental property owner" means a person that owns, directly or indirectly, one or more rental residential dwelling units. Any person that holds a controlling interest in an entity that owns a rental residential dwelling unit shall be deemed to constitute a single rental property owner with that entity.[1]

"Residential dwelling unit" means any house, apartment, accessory unit, or other unit intended to be used as a primary residence in the State. "Residential dwelling unit" shall not include inpatient medical care, licensed long-term care, or detention or correctional facilities.

"Tacit agreement" means mutual consent demonstrated without verbal or written communication. Mutual consent may, but need not, be demonstrated by a pattern of conduct.

4. It shall be unlawful and a violation of the "New Jersey Antitrust Act," P.L.1970, c.73 (C.56:9-1 et seq.) for:

a. a rental property owner, or any agent, representative, or subcontractor thereof, to receive, subscribe to, contract for, or otherwise exchange any form of consideration in return for the use of, the services of a coordinator;

b. a coordinator to facilitate a tacit or express agreement among rental property owners that restricts competition with respect to residential dwelling units, including by performing a coordinating function;

c. two or more persons to engage in [1]or otherwise facilitate[1] parallel pricing coordination;

d. any agent or representative of a coordinator or subcontractor thereof to engage in parallel pricing coordination; or

e. any person to perform a coordinating function.

5. The provisions of this act shall not be construed in any manner that limits the application of sections 6 through 17 of P.L.1970, c.73 (C.56:9-6 through 9-17) to a violation of section 4 of this act.

6. a. This act shall not authorize or permit any conduct already unlawful pursuant to the "New Jersey Antitrust Act," P.L.1970, c.73 (C.56:9-1 et seq.), or any other law, and shall be construed as in addition to that act.

b. A municipality shall be prohibited from enacting an ordinance that conflicts with this act. This subsection shall not be construed to prohibit the enactment of ordinances explicitly authorized or required by any other law.

7. The Attorney General shall establish, on the official website of the Department of Law and Public Safety, a location to receive complaints alleging any violation or suspected violation of this act, which requirement may be satisfied by establishing or maintaining such a location for complaints alleging violations or suspected violations of the "New Jersey Antitrust Act" P.L.1970, c.73 (C.56:9-1 et seq.).

8. The Attorney General may, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt any rules and regulations to effectuate the purposes of this act.

9. This act shall take effect on the first day of the twelfth month next following the date of enactment.