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## 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)