SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

SB 384 (Wahab) Version: April 8, 2025 Hearing Date: April 22, 2025 Fiscal: Yes Urgency: No AWM

SUBJECT

Preventing Algorithmic Price Fixing Act: prohibition on price-fixing algorithm use

DIGEST

This bill prohibits the use of a pricing algorithm that incorporates competitors' nonpublic, competitively sensitive data, as defined.

EXECUTIVE SUMMARY

A human setting prices has to (1) take in new information, (2) analyze the effect of the new information on their own prices, and (3) determine whether to raise or lower prices, and by how much. A pricing algorithm, on the other hand, often uses artificial intelligence and machine learning to weigh variables including supply and demand, a competitor's prices, and anticipated delivery time, as well as any other factors its programmers have baked into the formula, and can set new prices nearly instantaneously in response to new information. Algorithms that rely on public data alone can still give a seller a massive advantage over a consumer who does not have access to the same volume of data.

Recently, some businesses have started to offer algorithmic pricing models that expressly incorporate competitors' competitively sensitive data – data which the businesses do not share with the market generally for strategic reasons, and which results in anticompetitive behavior when shared with competitors. While much of this behavior is already prohibited under state and federal antitrust laws, those laws can take years of costly litigation to enforce – while all the while, consumers continue to suffer from higher prices.

This bill is intended to leave no wiggle room by expressly prohibiting the use of pricefixing algorithms that incorporate competitors' nonpublic, competitively sensitive data. The bill does not establish a private right of action, but rather limits enforcement to suits brought by the Attorney General, a city attorney, or a county counsel. The author has SB 384 (Wahab) Page 2 of 13

agreed to a number of amendments in response to opposition, including clarifying the definition of "nonpublic input data" and the scope of damages available.

This bill is sponsored by the author and is supported by the AIDS Healthcare Foundation, the California Housing Partnership, the California Rural Legal Assistance Foundation, Housing California, the National Association of Social Workers – California Chapter, and the Sacramento Regional Coalition to End Homelessness. This bill is opposed by the American Property Casualty Insurance Association, the Association of National Advertisers, the California Chamber of Commerce , the California Credit Union League, the California Hospital Association , the California Retailers Association, Chamber of Progress, the Civil Justice Association, Insights Association, the National Association of Mutual Insurance Companies, the Personal Insurance Federation of California, the Software Information Industry Association, and TechNet.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the Cartwright Act. (Bus. & Prof. Code, div. 7, pt. 2, ch. 2, §§ 16700 et seq.)
- 2) Defines "person" within the Cartwright Act to include corporations, firms, partnerships, and associations. (Bus. & Prof. Code, § 16702.)
- 3) Defines a "trust" under the Cartwright Act as a combination of capital, skill, or acts by two or more persons for any of the following purposes:
 - a) To create or carry out restrictions in trade or commerce.
 - b) To limit or reduce the production, or increase the price of, merchandise, or of any commodity.
 - c) To prevent competition in the manufacturing, making, transportation, sale, or purchase of merchandise, produce, or any commodity.
 - d) To fix at any standard or figure, whereby its price to the public or consumer shall be in any manner controlled or established, any article or commodity of merchandise, produce, or commerce intended for sale, barter, use, or consumption in the state.
 - e) To make or enter into or execute or carry out any contracts, obligations, or agreements of any kind or description, by which they do all or any combination of the following:
 - i. Bind themselves not to sell, dispose of, or transport any article or any commodity or any article of trade, use, merchandise, commerce, or consumption below a common standard figure, or fixed value.

- ii. Agree in any manner to keep the price of such article, commodity, or transportation at a fixed or graduated figure.
- iii. Establish or settle the price of any article, commodity, or transportation between them or themselves and others, so as directly or indirectly to preclude a free and unrestricted competition among themselves, or any purchasers or consumers in the sale or transportation of any such article or commodity.
- f) Agree to pool, combine, or directly or indirectly unite any interests that they may have connected with the sale or transportation of any such article or commodity, that its price in any manner might be affected. (Bus. & Prof. Code, § 16720.)
- 4) Makes every trust unlawful, against public policy, and void, except as exempted under the Cartwright Act. (Bus. & Prof. Code, § 16726.)
- 5) Provides that any contract or agreement in violation of the Cartwright Act is absolutely void and not enforceable. (Bus & Prof. Code, § 16722.)
- 6) Establishes a general prohibition on unfair competition, known as the Unfair Competition Law (UCL), which covers any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising, and any act prohibited under the False Advertising Law (FAL). (Bus. & Prof. Code, div. 7, pt. 2, ch. 5, §§ 17200.)
- 7) Provides remedies for a violation of the UCL as follows:
 - a) Any person who has been injured by a violation of the UCL may seek restitution and injunctive relief in a court of competent jurisdiction. (Bus. & Prof. Code, §§ 17203, 17204.)
 - b) The Attorney General, a district attorney, a county counsel authorized by agreement with the district attorney in actions involving violation of a county ordinance, a city attorney of a city having a population in excess of 750,000, county counsel of any county within which a city has a population in excess of 750,000, a city attorney in a city and county or, with the consent of the district attorney, a city prosecutor in a city having a full-time city prosecutor, may, in an action in the name of the people of the State of California, seek injunctive relief, restitution, and a civil penalty. (Bus & Prof. Code, §§ 17204, 17206.)
 - c) Unless otherwise expressly provided, the UCL's remedies are cumulative to each other and to any other remedies or penalties available under state law. (Bus. & Prof. Code, § 17205.)

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This bill:

- 1) Provides that, in addition to any other law, a seller shall not use a price-fixing algorithm to set either of the following:
 - a) A price or supply level of a good or service.
 - b) A rent or occupancy level of rental property.
- 2) Provides that the Attorney General, in the name of the people of the State of California, or a city attorney or county counsel, in the name of the city or county, may file a civil action for a violation of 1) for damages, injunctive relief, restitution, or civil penalties of up to \$1,000 per violation, or any combination of those remedies; the court shall also award reasonable attorney's fees to the Attorney General, city attorney, or county counsel, if they are the prevailing party in the action.
- 3) Defines the following terms for purposes of 1):
 - a) "Artificial intelligence" means a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments.
 - b) "Nonpublic input data" means data that is competitively sensitive, including, but not limited to, price, output, customers, or sales territory.
 - c) "Price-fixing algorithm" means a software, system or process, algorithmic program, or artificial intelligence that both (1) accepts the historical or contemporaneous nonpublic input data of two or more sellers on the price, price change, or supply level of a good or service or rent or occupancy level of a rental property from one or more sellers; and (2) processes that nonpublic input data for the purpose of producing a pricing or rental strategy.
 - d) "Seller" means either a person who sells or leases a good or service to a consumer, or a landlord; and includes a person or a business entity that utilizes a price-fixing algorithm on behalf of the seller, lessor, or landlord.

COMMENTS

1. <u>Author's comment</u>

According to the author:

Rapid technological advances have resulted in corporations using tools and resources that result in digital collusion. Corporations rely on the existence of these tools as permission to use them without considering the legal implications. SB 384 places responsibility on these corporations to evaluate the tools they use to process data associated with their own pricing structures and stock by prohibiting the use of tools that collect private data from two or more corporations for the purposes of analyzing and processing the data to create pricing models. This prohibition will force corporations to be more discerning regarding the digital tools they use, and reduce the likelihood of corporations accidentally engaging in digital handshakes that result in price-fixing and market manipulation.

2. Background on price-fixing algorithms

"Pricing algorithms are intended to help firms determine optimal pricing on a near realtime basis."¹ A human setting prices has to (1) take in new information, (2) analyze the effect of the new information on their own prices, and (3) determine whether to raise or lower prices, and by how much. A pricing algorithm, on the other hand, often uses artificial intelligence and machine learning "to weigh variables such as supply and demand, competitor pricing, and delivery time," as well as any other factors its programmers have baked into the formula, and can set new prices nearly instantaneously in response to new information.² Studies indicate that the use of certain pricing algorithms results in higher prices for consumers,³ particularly when one seller is using a more sophisticated reinforced learning algorithm and its competitors are using a rule-based algorithm that incorporates that seller's price as an input.⁴

As algorithms grew more expansive in the 2010s, scholars raised concerns that algorithms – particularly reinforced learning algorithms – could "learn" to tacitly collude with competitors' algorithms, thereby keeping prices high.⁵ More recently, however, some businesses have offered algorithmic pricing models that expressly incorporate competitors' nonpublic, competitively sensitive data – for example, by factoring confidential rental rate and occupancy levels, provided by the users of the algorithm, to make pricing and occupancy recommendations to each landlord on the basis of that confidential information. As explained below, there are allegations that these algorithms not only harm consumers, but also violate existing state and federal antitrust laws.

3. Antitrust law and algorithms

Under the federal Sherman Act,⁶ "[horizontal] price-fixing agreements are unlawful per se."⁷ This per se bar extends to any "combination formed for the purpose and with the effect of raising, depressing, fixing, pegging, or stabilizing the price of a commodity" in

¹ Bertini & Koenigsberg, *The Pitfalls of Pricing Algorithms*, Harvard Business Review (Sept.-Oct. 2021), *available at* <u>https://hbr.org/2021/09/the-pitfalls-of-pricing-algorithms</u>. All links in this analysis are current as of April 17, 2025.

² Ibid.

³ Calvano, et al., *Artificial Intelligence, Algorithmic Pricing, and Collusion* (2020) 110 Am. Econ. Rev. 3267. ⁴ Wang, et al., *Algorithms, Artificial Intelligence and Simple Rule-Based Pricing* (Jun. 29, 2022) SSRN, p. 40, *available at* <u>https://papers.srn.com/sol3/papers.cfm?abstract_id=4144905</u>.

⁵ *Calvano, supra,* at p. 3268.

⁶ 15 U.S.C. §§ 1-7.

⁷ U.S. v. Socony-Vacuum Oil Co. (1940 310 U.S. 150, 218.

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interstate or foreign commerce.⁸ Likewise, under the State's own antitrust law, the Cartwright Act,⁹ "agreements fixing or tampering with prices are illegal per se."¹⁰ These prohibitions "rest on the premise that unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions."¹¹ The Cartwright Act's prohibitions on anticompetitive behavior are "broader and deeper in range" than the federal Sherman Act's.¹²

Former Federal Trade Commission (FTC) Chairwoman Maureen K. Ohlhausen argues that the use of a vendor that provides algorithmic pricing services derived from confidential pricing information provided by multiple competitors is not, as an antitrust matter, new territory.¹³ She believes such services are merely an updated version of a long-prohibited practice, known as the "hub-and-spoke conspiracy": "[j]ust as the antitrust laws do not allow competitors to exchange competitively sensitive information directly in an effort to stabilize or control industry pricing, they also prohibit using an intermediary to facilitate the exchange of confidential business information."¹⁴ To understand why this is such an easy call, Ohlhausen recommended replacing "algorithm" with " a guy named Bob' ":

Is it ok for a guy named Bob to collect confidential price strategy information from all the participants in a market, and then tell everybody how they should price? If it isn't ok for a guy named Bob to do it, then it probably isn't ok for an algorithm to do it either.¹⁵

This approach reflects the longstanding antitrust principle that "competitors cannot simply get around antitrust liability by acting through a third-party intermediary or joint venture."¹⁶

Consistent with this interpretation, the U.S Department of Justice (USDOJ) and several states, including California, have filed an antitrust lawsuit against RealPage and several property management companies.¹⁷ According to the First

⁸ Id. at p. 223.

⁹ Bus. & Prof. Code, pt. 2, ch. 2, §§ 16700 et seq.

¹⁰ Oakland-Alameda County Builders' Exchange v. F. P. Lathrop Constr. Co. (1971) 4 Cal.3d 354, 363.

¹¹ Marin County Bd. of Realtors, Inc. v. Palsson (1976) 16 Cal.3d 920, 935 (internal quotation marks omitted). ¹² In re Cipro Cases I & II (2015) 61 Cal.4th 116, 160 (internal quotation marks omitted).

¹³ Remarks of Maureen K. Ohlhausen, Acting Chairwoman, U.S. FTC, "Should We Fear The Things That Go Beep In the Night? Some Initial Thoughts on the Intersection of Antitrust Law and Algorithmic Pricing," Remarks from the Concurrences Antitrust Financial Sector Conference (May 23, 2017), p. 10, *available at* <u>https://www.ftc.gov/news-events/news/speeches/should-we-fear-things-go-beep-night-some-initial-thoughts-intersection-antitrust-law-algorithmic</u>.

¹⁴ Ibid. ¹⁵ Ibid.

¹⁶ Am. Needle, Inc. v. Nat'l Football League (2010) 560 U.S. 183, 202 (cleaned up).

¹⁷ See U.S. v. RealPage, Inc.(M.D.N.C.) Case No. 1:24-cv-00710-LCB-JLW.

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Amended Complaint, RealPage's Vice President of Revenue Management Advisory Services described RealPage's benefit to landlords thusly: "'[T]here is greater good in everybody succeeding versus essentially trying to compete against one another in a way that actually keeps the entire industry down.' "¹⁸ At the time this analysis was released, RealPage's motion to dismiss was pending before the court.

4. <u>This bill prohibits the use of a pricing algorithm that incorporates competitors'</u> <u>competitively sensitive information</u>

The bill's intended scope is narrow: the bill prohibits the use of an algorithm that incorporates competitors' nonpublic input data, which it defines as "competitively sensitive" information. "Competitively sensitive" is a term of art that refers to the information that a business strategically keeps private in order to maintain a market advantage; prices, outputs, production decisions, and trade secrets can all be competitively sensitive if the business generally keeps that information confidential.¹⁹ The flipside is that, the more competitively sensitive information is, the more problematic it becomes when that information is shared with competitors.²⁰ Consistent with this approach, this bill is not attempting to capture algorithms that scrape publicly available data, but rather only pricing algorithms that combine sellers' information that they generally keep confidential for competitive reasons – the "guy named Bob" situations. In response to concerns from opposition, the author has agreed to amend the definition of "competitively sensitive" to make clear that algorithms cannot incorporate information that is competitively sensitive to the competitor, and that the list of inputs – price, output, customers, or sales territory – is merely to give examples of data that could be competitively sensitive, if the seller treats it as such.

Enforcement of the bill is limited to civil actions brought by the Attorney General, a city attorney, or county counsel. The public prosecutor in such an action may seek damages, injunctive relief, restitution, or civil penalties of up to \$1,000 per violation, or any combination thereof. In response to concerns from opposition, the author has agreed to amend the bill to clarify that only "actual" damages are recoverable, and to define what constitutes a violation for purposes of the civil penalty.

As currently in print, the bill prohibits only a seller from using a pricing algorithm that incorporates nonpublic competitor data; as the opponents point out, the bill does not include a requirement that a seller have actual or constructive knowledge that the pricing algorithm is incorporating nonpublic data before liability can attach. Moreover, prohibiting collusive pricing algorithms from being developed in the first instance is

¹⁸ First Amended Complaint, Dkt. No. 47, *U.S. v. RealPage, Inc.*(M.D.N.C.) Case No. 1:24-cv-00710-LCB-JLW, ¶ 2 (emphasis in original).

¹⁹ *E.g.*, FTC & DOJ, Antitrust Guidelines for Collaborations Among Competitors (Apr. 2000) p. 6. ²⁰ *Id.* at p. 15; United States Delegation, Note for Roundtable on Information Exchanges Between Competitors Under Competition Law (Oct. 21, 2010) p. 6.

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arguably more efficient than addressing the sellers alone. Accordingly, the author has agreed to amend the bill to (1) prohibit a person from offering for sale, selling, or licensing an algorithm that incorporates nonpublic competitor data, and (2) establishing an affirmative defense to liability for a seller who, prior to using an algorithm, conducted due diligence to determine whether the algorithm would incorporate competitors' competitively sensitive information.

The amendments discussed above are set forth below in Part 6 of this analysis.

5. This bill's relationship to other laws

This bill is not intended to supplant any existing laws – including, but not limited to, the Cartwright Act or the Unfair Competition Law. To that end, the bill expressly states that its prohibitions are "[i]n addition to any other law."

The opposition argues that, to the extent this bill covers collusive behavior, it is redundant to existing law. This does not appear to be the case, for a couple of reasons. First, California's antitrust and unfair competition laws are generally stated in broad terms – barring "trusts" and "unfair practices" rather than behavior at a granular level – which may require substantial litigation before a practice is deemed to be prohibited. This bill, by barring a specific type of pricing algorithm, reduces the ambiguity regarding what conduct is permitted and what conduct is verboten. Second, some of California's existing competition-related laws require a specific intent to collude, which makes pleading in algorithmic pricing cases difficult. This bill, however, is targeted first and foremost at the algorithms inputs; while the bill does require some culpability on the part of the seller or algorithm developer, it should be able to protect consumers in situations where there is collusion in fact but no specific evidence of an actual plot between sellers.

6. Amendments

As discussed above, the author has agreed to take a number of amendments in to response to concerns from the opposition, and plans to keep working with the opposition as the bill moves through the legislative process. The amendments are set forth below, subject to any nonsubstantive changes the Office of Legislative Counsel may make.

Amendment 1

At page 2, in line 1, after "(a)" insert (1) and after "law," insert "a person shall not sell, license, or otherwise provide, and a"

Amendment 2

At page 2, in lines 6 and 7, change "(1)" and "(2)" to "(A)" and "(B)", respectively.

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Amendment 3

At page 2, between lines 7 and 8, insert "(2) It shall be an affirmative defense to liability for a seller if the seller can show that they conducted due diligence and did not learn that the price-fixing algorithm would violate paragraph (1), including inquiring of the person selling, licensing, or providing the algorithm whether it was in violation of paragraph (1)."

Amendment 4

At page 8, in line 8, after "(b)" insert "(1)"

Amendment 5

At page 2, in line 11, delete "for" and insert "to recover actual"

Amendment 6

At page 2, between lines 16 and 17, insert:

"(2) (A) For purposes of a person who sells, licenses, or otherwise provides a pricefixing algorithm in violation of paragraph (1), each authorized user of, or user under a license for, the price-fixing algorithm sold, licensed, or provided constitutes a separate violation.

(B) For purposes of a seller who uses a price-fixing algorithm in violation of (1), each calendar month of the use constitutes a separate violation."

Amendment 7

At page 2, in lines 19 through 22, delete the text in line 19 after "means" and insert "an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments."

Amendment 8

At page 2, in lines 24 through 25, delete the text in line 24 after "sensitive" and insert "to the seller and which the seller maintains in a confidential manner but for allowing the data to be used in the pricing algorithm. "Nonpublic input data" may include, but is not limited to, the seller's prices, outputs, customers, or sales territory."

Amendment 9

At page 2, in line 26, insert "computer" before "system"

Amendment 10

At page 2, in line 27, insert "computer" before "process"

7. Arguments in support

According to the National Association of Workers - California Chapter:

SB 384 is a proactive and essential piece of legislation that addresses the emerging issue of algorithmic price-fixing, which has been shown to result in market manipulation and increased costs for consumers. In recent years, two high-profile cases – Agri Stats Inc. and RealPage – have emerged, where businesses utilized algorithmic tools to engage in anticompetitive practices. These tools facilitated collusion and market manipulation, which drove consumer prices. While current laws may address instances of collusion once the agreements are made, there is a need for proactive intervention to prevent these practices before they occur. SB 384 represents that necessary intervention.

This bill will ensure that businesses take greater responsibility for the software they purchase or lease. It specifically restricts the use of software that combines confidential data from multiple companies. By doing so, SB 384 aims to prevent digital collusion, protect consumers, and foster a fairer and more transparent marketplace. Companies must understand their role in preventing algorithmic price-fixing and act ethically in their software purchases and usage.

8. Arguments in opposition

According to a coalition of the bill's opponents:

The fundamental concern we have with SB 384 is that it prohibits the use of certain technology in competitive pricing under the guise of prohibiting price fixing. Under the introduced version of the bill, it very clearly did so by prohibiting any business from using pricing models of any sort to set a price or supply level of a good or service based on any information related to pricing or supply – whether that information was publicly available or nonpublic/confidential. That distinction between publicly available and nonpublic or confidential information is significant, because it preserves activities that businesses long performed in making pricing decisions, and done so legally: observe, analyze, and respond to market conditions; collect information on prices, price changes, and supply levels; analyze/process that information; and create pricing models to inform pricing decisions.

It is worth noting that there are many legitimate grounds for setting different prices for the same goods or services, such as dynamic pricing where prices

fluctuate based on real-time demand, availability and market conditions (e.g., peak hours or bad weather can drive up demand for rides); local demand or operational/regional costs; returning customers or those enrolled in loyalty programs may receive lower prices; or lower prices may get set to attract first time customers; online ticket prices may increase as the date of an event gets closer; inventory goes down; etc.). Restricting the ability of businesses to use this type of technology to help them in these same activities will greatly impair the ability of some businesses to understand market conditions and respond efficiently in changes to the competitive landscape, not to mention take away information that would otherwise guide pricing decision and lend to less competitive pricing overall.

While we appreciate the author's willingness to narrow the bill by removing reference to public databases and narrowing the bill to nonpublic data of two or more sellers, to truly avoid capturing public data and to avoid the chilling effect that this blanket ban will have on the use of this technology in general, the line between what is public and nonpublic data needs to be more clearly and accurately drawn and actual knowledge of the sellers should be considered, or the end result will remain the same as it was under the introduced version of the bill.

SUPPORT

AIDS Healthcare Foundation California Housing Partnership California Rural Legal Assistance Foundation Housing California National Association of Social Workers – California Chapter Sacramento Regional Coalition to End Homelessness

OPPOSITION

American Property Casualty Insurance Association Association of National Advertisers California Chamber of Commerce California Credit Union League California Hospital Association California Retailers Association Chamber of Progress Civil Justice Association Insights Association National Association of Mutual Insurance Companies Personal Insurance Federation of California Software Information Industry Association TechNet SB 384 (Wahab) Page 12 of 13

RELATED LEGISLATION

Pending legislation:

SB 295 (Hurtado, 2025) establishes the California Preventing Algorithmic Collusion Act of 2025, which prohibits a person from using or distributing any pricing algorithm that uses, incorporates, or was trained with competitor data; requires a person using a pricing algorithm to recommend or set a price or commercial term to make certain commercial disclosures; and requires a person to provide specified information to the Attorney General relating to the use of pricing algorithms. SB 295 is pending before this Committee.

SB 52 (Pérez, 2025) prohibits the sale, licensing, or provision, to two or more persons, a rental pricing algorithm with the intent that it be used by two or more landlords in the same market to set or recommend specified rental terms, and prohibits the use of nonpublic competitor data in an algorithm used to set or recommend specified rental terms. SB 52 is pending before this Committee and is set to be heard on the same date as this bill.

AB 325 (Aguiar-Curry, 2025) expressly prohibits, within the Cartwright Act, the use or distribution of pricing algorithms that use, incorporate, or were trained on nonpublic competitor data. AB 325 is pending before the Assembly Appropriations Committee.

Prior legislation:

SB 1154 (Hurtado, 2024) would have established the California Preventing Algorithmic Collusion Act of 2024, which would have prohibited the use of pricing algorithms to set or recommend a price or commercial term in this state that incorporates nonpublic competitor data, as defined, which may be enforced by the Attorney General; established a partially rebuttable presumption that the use of a prohibited pricing algorithm is a violation of specified state laws prohibiting anticompetitive behavior; and added additional provisions relating to the Attorney General's investigation of, and disclosures of the use of, pricing algorithms. SB 1154 died in this Committee.

AB 2930 (Bauer-Kahan, 2024) would have prohibited a person or entity from using an automated decision tool, including an algorithm, in a way that results in algorithmic discrimination, as defined, in employment, educational, housing, and other contexts. AB 2930 died on the Assembly Floor.

AB 2230 (Bennett, 2024) would have established the Residential Housing Unfair Practices Act of 2023, which would have amended the Cartwright Act to expressly list certain practices relating to the provision of housing. AB 2230 died in the Assembly Judiciary Committee. SB 384 (Wahab) Page 13 of 13

AB 331 (Bauer-Kahan, 2023) was largely similar to AB 2930 (Bauer-Kahan, 2024) and would have prohibited a person or entity from using an automated decision tool, including an algorithm, in a way that results in algorithmic discrimination, as defined, in employment, educational, housing, and other contexts. AB 331 died in the Assembly Appropriations Committee.

AB 2224 (McCarty, 2022) would have required online real estate platforms, known as iBuyers, that use algorithms to determine the value of a property and make offers to purchase a home without the use of a mortgage or other type of financing, to work with a local real estate broker when selling and completing a sale of real property in California. AB 2224 died in the Senate Business, Professions and Economic Development Committee.
