State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1569/1
JAM:klm

2025 SENATE BILL 142

March 21, 2025 - Introduced by Senators ROYS, DASSLER-ALFHEIM, DRAKE, HESSELBEIN, KEYESKI, LARSON, PFAFF, RATCLIFF and SPREITZER, cosponsored by Representatives BROWN, ANDERSON, ANDRACA, ARNEY, BARE, CLANCY, DESMIDT, FITZGERALD, HONG, J. JACOBSON, KIRSCH, MADISON, MCCARVILLE, PALMERI, PHELPS, ROE, SINICKI, STROUD, SUBECK, TAYLOR and TENORIO. Referred to Committee on Government Operations, Labor and Economic Development.

AN ACT ***to create*** 704.44 (11) and 704.60 of the statutes; **relating to:** algorithmic software for residential housing, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill prohibits the use of algorithmic software in setting rental rates or occupancy levels for residential dwelling units and prohibits persons from selling, licensing, or providing algorithmic software to a residential landlord. "Algorithmic software" is defined in the bill to mean software that uses an algorithm to perform calculations on nonpublic competitor data regarding rent or occupancy levels in this state for the purpose of informing a landlord's decision regarding residential housing occupancy rates, whether to leave a residential unit vacant, or the amount of rent that a landlord may obtain for a residential unit. The Department of Agriculture, Trade and Consumer Protection, the attorney general, or a district attorney may investigate violations of this bill, and the attorney general or a district attorney may commence an action seeking an injunction or to recover a civil forfeiture of up to $1,000 per violation. In addition, a tenant may file a civil action seeking actual damages incurred as a result of a violation of the bill or $1,000 per violation, whichever is greater, or for injunctive relief, or for a combination of injunctive relief and damages.

Under the bill, if a landlord includes a provision in a lease that 1) waives the landlord's obligation to comply with the prohibition on the use of algorithmic software or 2) discourages or impedes a tenant from filing an action seeking

injunctive relief or damages stemming from the landlord's violation of the bill's prohibitions, then the rental agreement is void and unenforceable.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 704.44 (11) of the statutes is created to read:

704.44 **(11)** Waives the landlord's obligation to comply with s. 704.60 (2) or discourages or impedes a tenant from filing an action or seeking injunctive relief or damages under s. 704.60 (3).

SECTION 2. 704.60 of the statutes is created to read:

704.60 Use of algorithmic software. (1) DEFINITIONS. In this section:

(a) "Algorithmic software" means software, including revenue management software, that uses an algorithm to perform calculations on nonpublic competitor data regarding rent or occupancy levels in this state for the purpose of informing a landlord's decision regarding residential housing occupancy rates, whether to leave a residential unit vacant, or the amount of rent that a landlord may obtain for a residential unit. "Algorithmic software" includes a product or device that incorporates algorithmic software. "Algorithmic software" does not include any of the following:

1. A publication of existing aggregated rental data if the publication does not recommend rental rates or occupancy levels for future leases.

2. A product used for the purpose of establishing rent or income limits in accordance with affordable housing guidelines or requirements of a local, state, or federal program.

(b) "Nonpublic competitor data" means housing-related information that is not

available to the general public regarding actual amounts charged for rent, occupancy rates, lease start and end dates, or similar data, regardless of whether the information is attributable to, derived from, or otherwise provided by a person that competes in the same or related market.

(2) ALGORITHMIC SOFTWARE. (a) No person shall sell, license, or provide to a residential landlord algorithmic software.

(b) No person may use algorithmic software to set rental rates or occupancy levels for residential dwelling units.

(3) ENFORCEMENT AND PENALTY. (a) The department of agriculture, trade and consumer protection, the attorney general, or a district attorney may investigate an alleged violation of sub. (2).

(b) The attorney general or a district attorney may commence an action in the name of the state to restrain by temporary or permanent injunction a violation of sub. (2) or to recover a civil forfeiture of up to $1,000 per violation. The court shall award the attorney general or district attorney court costs and, notwithstanding s. 814.04 (1), reasonable attorney fees, if the attorney general or district attorney is the prevailing party in the action. Each month in which a violation exists or continues constitutes a separate offense. Each dwelling unit for which a person has used algorithmic software in violation of sub. (2) (b) constitutes a separate offense.

(c) A tenant may file a civil action for a violation of sub. (2) on behalf of himself or herself, or on behalf of himself or herself and all persons similarly situated, for actual damages incurred as a result of a violation of sub. (2), or damages of $1,000 per violation, whichever is greater, or for injunctive relief, or for a combination of damages and injunctive relief. The court shall award the tenant court costs and,

notwithstanding s. 814.04 (1), reasonable attorney fees if the tenant is the prevailing party in the action. The court may also award any equitable relief to a prevailing party as may be determined by the court if the tenant, or the tenant and all persons similarly situated, is the prevailing party in the action.

(END)