

Date of Hearing: April 16, 2026

Fiscal: Yes

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Rebecca Bauer-Kahan, Chair

AB 2025 (Pellerin) – As Introduced February 17, 2026

SUBJECT: Tenancy: digitally altered images: disclosure

SYNOPSIS

The competition in California’s rental housing market is fierce. Rents are high and inventory is low. As has been standard practice for decades, landlords and businesses offering properties for rent have included images in the marketing of the property to make it look desirable to potential renters. In recent years, digital editing, virtual staging, and artificial intelligence (AI) have become more commonly used in marketing properties for rent due to their speed, affordability, and ease of producing photorealistic images. The difference now is that with many AI virtual staging tools, anyone marketing a property for rent can manipulate or completely fabricate images to show exterior and interior features that can be misleading or even nonexistent. California’s renters deserve to know the actual condition and elements of a property before deciding whether to invest time and money visiting the property or making an offer, site-unseen.

This author-sponsored bill is the rental housing counterpart to last year’s AB 723 (Pellerin, Ch. 497, Stats. 2025), which this Committee passed on a 14-0 vote. AB 723 required realtors who digitally alter images in advertisements of properties for sale to include a statement disclosing that the image has been altered and a link to a publicly accessible internet website, URL, or QR code that includes the original, unaltered image. This bill extends those requirements to the marketing of properties for rent and lease, further protecting California consumers from the harm of misleading advertising.

The bill is supported by Consumer Reports and PowerCA Action. There is no registered opposition.

EXISTING LAW:

- 1) Establishes the Real Estate Law, which generally provides for the licensure and regulation of real estate brokers and salespersons. (Bus. & Prof. Code § 10000 *et seq.*)
- 2) Defines “digitally altered image” to mean an image, created by or at the direction of the real estate broker or salesperson, or person acting on their behalf, that has been altered through the use of photo editing software or artificial intelligence to add, remove, or change elements in the image, including, but not limited to, fixtures, furniture, appliances, flooring, walls, paint color, hardscape, landscape, facade, floor plans, and elements outside of, or visible from, the property, including, but not limited to, streetlights, utility poles, views through windows, and neighboring properties. (Bus. & Prof. Code § 10140.8(b)(1).)
- 3) Provides that “digitally altered image” does not include an image where only lighting, sharpening, white balance, color correction, angle, straightening, cropping, exposure, or other common photo editing adjustments are made that do not change the representation of the real property. (Bus. & Prof. Code § 10140.8(b)(2).)

- 4) Requires a real estate broker or salesperson, or person acting on their behalf, who includes a digitally altered image in an advertisement or other promotional material for the sale of real property to include in the advertisement or promotional material, a statement disclosing that the image has been altered and a link to a publicly accessible internet website, URL, or QR code that includes the original, unaltered image. (Bus. & Prof. Code § 10140.8(a)(1).)
- 5) Requires that the disclosure additionally indicates that the unaltered images can be accessed on the linked internet website, URL, or QR code, if the advertisement or promotional material is posted on a website that the real estate broker or salesperson controls.
- 6) Provides that any person, including officers, directors, agents or employees of corporations, who willfully violates or knowingly participates in the violation of the Real Estate Law is guilty of a misdemeanor punishable by a fine not exceeding ten thousand dollars (\$10,000), or by imprisonment in the county jail not exceeding six months, or by a fine and imprisonment. (Bus. & Prof. Code § 10185.)
- 7) Defines “capture device” means a device that can record photographs, audio, or video content, including, but not limited to, video and still photography cameras, mobile phones with built-in cameras or microphones, and voice recorders.

THIS BILL:

- 1) Enacts provisions virtually identical to those described above for persons who use digitally altered images in advertisements or other promotional material for rental of real property.
- 2) Specifies that an unaltered version of an image required to be made available under the bill does not include an image or architectural or artistic rendering that was not originally created through the use of a capture device.
- 3) Provides that a violation of the bill by a licensee under the Real Estate Law constitutes a violation of that law.

COMMENTS:

- 1) **Author’s statement.** According to the author:

As both AI and do-it-yourself digital staging services continue to evolve, it becomes harder for the average person to differentiate between digitally staged images and unaltered images. Given the high competition in the rental market, it is not uncommon for renters to commit to a unit without visiting it in person. Without disclosures that a photo has been digitally altered and access to the unaltered original, these images risk unintended misrepresentation and consumer harm.

AB 2025 protects consumers from misleading rental listings by simply requiring disclosure and labeling of virtually staged and altered images and requiring that access be provided to the original image.

- 2) **Background:** Digital staging is a useful and economical way to portray a real estate listing, for sale or for rent, in its best light. Digital staging allows a person to insert or update elements of a real property including furniture, décor, landscaping, wall color, and bathroom or kitchen

elements to highlight the property's possibilities. It can also remove elements from images, including out-of-date furniture, appliances, and décor. This can be a valuable way to show the potential of a property. But without disclosure and photos showing the property as is, this practice can be deceiving to prospective renters.

PowerCA Action, a grassroots youth organization that supports the bill, lays out the problem prospective renters can encounter:

Services such as ApplyDesign, Virtual Staging PRO AI, PhotoUP, Virtual Staging AI, Styldod, and AI HomeDesign, among others, advertise that they can create photorealistic staging results in minutes by using any image, taken on any device. The staging of home listings has long been a part of the rental industry, but the increasing popularity and accessibility of photo editing software has given rise to the insertion of major and minor elements into images of homes, in a practice known as “digital” or “virtual” staging.

As both AI and do-it-yourself digital staging services continue to evolve, it becomes harder for the average person to differentiate between digitally staged images and unaltered images. Given the high competition in the rental market, it is not uncommon for renters to commit to a unit without visiting it in person. Without disclosures, these images risk misrepresentation and consumer harm.

We live in an era of house catfishing. “So I’m noticing, as I look at houses to rent, that landlords are using AI to stage the pictures but the AI is also cleaning up the walls, paint, windows, and stuff in the process,” artist DeAnn Wiley tweeted after comparing a rental listing image in Detroit, Michigan, and the Google Street View image of the same property, “so when you go look in person, it looks way more worn and torn than the pics would show.” A commenter to her tweet said, “This is crazy, we live in an era of house catfishing.”¹ To Wiley, the onus shouldn’t fall on those looking for housing. “The focus shouldn’t be on renters to have discernment but on these rental apps to regulate their platform so that users can avoid potential scams or manipulation during their search,” she told *Slate*.²

Approximately 44% of Californians are renters. The primary reasons for the competitive rental market across the state are high lease renewals, high occupancy rates, and dwindling new apartment supplies. In Orange County, over 60% of renters renewed their leases as the limited supply of rental inventory declined to 0.15% growth in apartments in recent months, down from 0.59% last year. In Silicon Valley, the occupancy rate is 95.1%, with up to 10 applicants applying for each available listing. In Los Angeles County, 51.5% of households are renters and stay in their rentals on average 40 months – which is one the longest terms in the country – and the occupancy rate hovers around 96%, with an average of 14 applicants per listing.³

¹ *This Listing for a Rental House Is Mangled With AI So Badly That You'll Cackle Out Loud*, Victor Tangermann, Futurism, October, 8, 2025 <https://futurism.com/artificial-intelligence/listing-rental-house-mangled-ai>.

² *Landlords are Using AI to Make Photos of Nasty Apartments Look Clean and Modern*, <https://futurism.com/artificial-intelligence/landlords-ai-photos-apartments-clean>

³ Roseann Cattani, *These California rental markets are the most competitive in the state*, <https://www.desertsun.com/story/news/nation/california/2025/04/17/california-regions-with-the-most-competitive-rental-market/83121123007/>

We live in a digital world. According to a 2025 RentCafe.com nationwide Rent Your Happy Place Survey, 49% of renters answered that they find that digital photos and videos are the most helpful digital enhancement when searching for, and choosing, a home or apartment to rent. 33% responded with virtual tours.⁴

Given the highly competitive market for rental properties, prospective renters need every advantage they can get to find a property that fits their needs and is available to them. They may not have the time or ability to view a property in person and often must submit an application, site-unseen, relying on provided listing materials and images. This can create an unfair burden on renters to have to discern fact from fiction if property images are altered too far from reality.

Australia is on the same page. In Australia, the New South Wales (NSW) government introduced a bill to Parliament that would impose penalties on those who fail to disclose if photos have been digitally altered, such as with AI, in a way that would “mislead or deceive” a prospective renter. The bill has passed the lower house and is now before the upper house. Other states in Australia are feeling pressure to follow NSW’s lead by rental advocates, or to even ban the use of AI and digitally enhanced photos altogether.⁵

3) What this bill would do. This bill builds upon the author’s previous legislation, AB 723 (Pellerin, Ch. 497, Stats. 2025), which requires a disclosure if images of a property have been digitally altered and access to the original images via a link to an internet website, URL, or QR code. AB 2025 extends these requirements to properties for rent or lease. As technologies advance, both AI and the myriad of digital staging services can create photorealistic images in minutes that are becoming more and more difficult for a reasonable person to discern as digitally altered. Without disclosures and an easily accessible way to view the original images of a property, the risk of misrepresentation by the landlord or rental listing company can be significant.

Like its predecessor, the bill has a carve-out for minor digital alterations to touch-up an image: The definition of “digitally altered image” does not include an image where only lighting, sharpening, white balance, color correction, angle, straightening, cropping, exposure, or other common photo editing adjustments are made that do not change the representation of the real property. Additionally, the bill specifies that an unaltered version of an image required to be made available under the bill does not include an image or architectural or artistic rendering that was not originally created through the use of a capture device.

Supporters argue that this straightforward transparency measure, like AB 723, will lead to a more honest and equitable marketplace for California renters.

ARGUMENTS IN SUPPORT: Consumer Reports writes in support:

Consumer Reports writes to express their support for AB 2025, which would require that landlords listing real property for rent to clearly disclose when listing photos have been meaningfully digitally altered, and to provide a link to original, unaltered images. Providing transparency about the actual state of rental property creates a fairer, more truthful

⁴ Adina Dragos and Florin Petrut, *What Renters Want in 2025: Top apartment Amenities & Features*, RentCafe.com, <https://www.rentcafe.com/blog/rental-amenities/>

marketplace for consumers, saving them time and money by avoiding visiting potential properties whose advertised promotional images do not reflect reality.

While promoting rental properties through misleading images is arguably already illegal under California consumer protection law, that hasn't stopped many landlords from using artificial intelligence to radically alter the look of certain properties, creating a false inducement for consumers. In some cases, the results are so extreme as to be laughable, but in other cases, more subtle image alteration can still materially mischaracterize the nature of a listing and confuse potential renters about the condition of a property. As a result, Californians looking for a place to live during a housing crisis are having a harder and harder time figuring out how real various representations are. While AI can potentially save landlords money and be reasonably used to help stage properties, consumers deserve to know the actual condition of properties before deciding whether to invest time and money in visiting — or even making offers, for example in the case of someone moving across the country to California. Unfortunately, too many landlords are taking advantage of a grey area in the law and a lack of enforcement to offer listings that are likely to lead to deception and confusion.

AB 2025 takes a reasonable and cautious approach of simply mandating that landlords that promote their properties through the use of digitally altered images must (1) label such images as digitally altered and (2) provide links to original unedited images. The bill reasonably exempts minor alterations such as sharpening, color balancing, and cropping and only applies to images that materially change elements (such as fixtures, furniture, and utility poles). Providing some basic bright-line rules of the road will lead to a more honest and equitable marketplace for California residents.

REGISTERED SUPPORT / OPPOSITION:

Support

Consumer Reports
PowerCA Action

Opposition

None on file.

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