

SENATE PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION COMMITTEE
Senator Christopher Cabaldon, Chair
2025-2026 Regular Session

AB 2025 (Pellerin)
Version: June 10, 2026
Hearing Date: June 22, 2026
Fiscal: Yes
Urgency: No
BD

SUBJECT

Tenancy: digitally altered images: disclosure

DIGEST

This bill requires a person who includes a digitally altered image, as defined, in an advertisement for rental properties to disclose that the image has been altered and provide access to the unaltered image.

EXECUTIVE SUMMARY

Many Californians rely on the rental market to secure housing. Finding these rental properties, however, can be quite the undertaking and often requires substantial time, resources, and commitment. Prospective tenants frequently rely on images of the rental property to aid them in their search. Increasingly, landlords and rental property managers are using AI and digital tools to alter the images. While, when used properly, these altered images can help renters, some images are morphed to the point where the original property is unrecognizable. This can cause real harm to prospective tenants, who may have elected to visit or even rent the property, only to discover on arrival that the property they imagined was a far cry from reality.

This bill seeks to remedy this troubling situation by requiring a person who advertises a digitally altered image of a rental property to disclose that the image has been altered. The bill further requires that the advertisement include the unaltered version of the image and exempts digitally altered images that use common photo editing adjustments that do not change the representation of the rental property from the disclosure requirements. Lastly, this bill provides that images created without a capture device need not include the original, unaltered image.

This bill is author-sponsored and supported by Consumer Reports and PowerCA Action. No timely opposition has been received. The bill passed out of the Senate Business, Professions, and Economic Development Committee on a vote of 8 to 1.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the Real Estate Law, which provides for the licensure and regulation of real estate brokers and real estate salespeople by the Department of Real Estate. (Bus. & Prof. Code §§ 10000 et seq.)
- 2) 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 \$10,000, or by imprisonment in county jail not exceeding six months, or by a fine and imprisonment. (Bus. & Prof. Code § 10185.)
- 3) Prohibits, for any real property offered for sale or lease, any advertisement, pamphlet, prospectus or letter concerning any said land or subdivision, to contain any written statement that is false or fraudulent. Makes a violation of this provision a public offense to be punished by a fine not exceeding \$1,000, or by imprisonment in a county jail not exceeding one year. (Bus. & Prof. Code § 10140.)
- 4) Authorizes the Real Estate Commissioner to investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee, and authorizes them to temporarily suspend or permanently revoke a real estate license at any time where a real estate licensee, in performing or attempting to perform any of the acts within the scope of the Real Estate Law, has been found guilty of specified actions, including:
 - a) Making any substantial misrepresentation.
 - b) Making any false promises of a character likely to influence, persuade, or induce.
 - c) Continued and flagrant course of misrepresentation or making of false promises through licensees.
 - d) Any other conduct, whether of the same or of a different character than specified in this section, which constitutes fraud or dishonest dealing.
 - e) Violating any section, division, or article of law which provides that a violation of that section, division, or article of law by a licensed person is a violation of that person's licensing law, if it occurs within the scope of that person's duties as a licensee. (Bus. & Prof. Code § 10176.)
- 5) Provides that violations of real estate regulations may result in a license revocation or suspension for any real estate licensee (Bus. & Prof. § 10175.)
- 6) Defines "sell," "sale," or "sold" to mean a transaction for the transfer of real property from a buyer to a seller and includes an exchange of real property, a real

property sales contract, and a leasehold exceeding one year's duration. (Bus. & Prof. § 10018.10.)

- 7) Defines "Licensee," when used without modification, to mean a person, whether broker or salesperson, licensed under any of the provisions of the Real Estate Law. (Bus. & Prof. § 10011.)
- 8) Requires a real estate broker or salesperson, or a 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. Requires the statement to be reasonably conspicuous and located on or adjacent to the image. (Bus. & Prof. Code § 10140.8.)
- 9) Requires a real estate broker or salesperson, or a person acting on their behalf, when posting a digitally altered image on an internet website they have control over, to include the unaltered version of the images from which the digitally altered images were created. (Bus. & Prof. Code § 10140.8.)
- 10) Defines "digitally altered image" as an image created by or at the direction of a person that has been altered through the use of photo editing 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, façade, floor plans, and elements outside of, or visible from, the property, including by not limited to, streetlights, utility poles, views through windows, and neighboring properties. Provides that "digitally altered image" does not include an image where common photo editing adjustments are made that do not change the representation of the property. (Bus. & Prof. Code § 10140.8.)
- 11) Defines "capture device" as 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. (Bus. & Prof. Code § 22757.1.)
- 12) Defines "artificial intelligence" as 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. (Gov. Code § 11547.64.)

This bill:

- 1) Defines the following terms:
 - a) "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.
- b) “Digitally altered image” means an image created by or at the direction of a person that has been altered through the use of photo editing 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, façade, 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. Provides that “digitally altered image” does not include an image where common photo editing adjustments are made that do not change the representation of the property.
- 2) Requires a person who includes a digitally altered image in an advertisement or other promotional material for the rental of real property to disclose that the image has been altered.
 - 3) Requires the above statement to be reasonably conspicuous and located on or adjacent to the image.
 - 4) Requires a person who includes a digitally altered image in an advertisement or other promotional material for the rental of real property to include the unaltered version of the images from which the digitally altered images were created. Provides that this may be done by including a link to a publicly accessible internet website that includes the original, unaltered image.
 - 5) Provides that the above provision does not apply to an image or architectural or artistic rendering that was not originally created through the use of a capture device.
 - 6) Provides that a violation of the above provisions by a licensed real estate broker or salesperson shall be deemed a violation of the Real Estate Law.
 - 7) Clarifies that the disclosure requirements for advertisements or other promotional material that include digitally altered images for the sale of real property do not apply to an advertisement for a leasehold exceeding one year’s duration.

COMMENTS

1. The rental population and process

Spurred by a variety of factors, California has a growing renter population, with 44 percent of California households consisting of renters.¹ This high demand can lead to

¹ Eric McGhee et al., *California’s Renters* (February 27, 2024) Public Policy Institute of California, <https://www.pplic.org/blog/californias-renters/>. All internet citations are current as of June 12, 2026.

fierce competition for desired properties. Additionally, due to various circumstances, renters frequently change residences. Nationwide, 38 percent of apartment dwellers move to a different apartment within 2 years.² This makes apartment and house hunting a common occurrence.

Finding a new rental is quite the endeavor. Prospective tenants can take weeks or months to fully commit to renting a property or apartment. This process involves searching online for various properties, scheduling tours, filling out applications, signing a lease, and, eventually, moving into the desired property. Perhaps the most time-consuming portion of this process is the first step: finding the right housing through various search methods. Increasingly, this is being done through online websites and platforms, such as Zillow and Apartments.com. These platforms provide potential tenants with images, videos, and even virtual tours of various residences that can offer renters helpful insights into their options.

2. AI takes the stage

Many rental properties will “stage” an apartment to give potential tenants an idea of what their rental could look like when they are fully moved in. Some apartment complexes, for instance, even have a dedicated apartment for this very purpose that is never leased to the public. On many occasions, these staged apartments are posted online, and that is the full extent of this practice. However, with the advent of AI and increasingly accessible digital tools, many landlords are electing to digitally stage their properties. The degree to which these properties are staged varies dramatically. At the simplest level, a property can use various filters, such as lighting adjustments, to give prospective renters higher-quality images that are genuinely useful for their search. On the other end of the spectrum, some landlords have opted to considerably alter their properties to the point where the digitally altered image is nearly unrecognizable from the original. As explained by Futurism:

Real estate sites are filling up with glaringly AI-altered images that dress up run-down properties as being in much better shape than they actually are.

Landlords are using AI to populate rooms with nonexistent furniture, move walls around, dream up imaginary facades, rooflines, and landscaping, and brighten up rooms that are in reality devoid of sunlight.

Case in point, a Zillow listing recently identified by children’s book illustrator DeAnn Wiley, recently interviewed by *Slate*, shows an AI-

² Veronica Grecu, *America’s move-easy hotspots: Renters change homes most frequently in the Southeast* (October 16, 2025) RentCafe, <https://www.rentcafe.com/blog/rental-market/market-snapshots/residential-mobility/>.

yassified facade of a rental property in Detroit, Michigan that's smoothed over to a comical degree. It was an astonishing makeover: rooms didn't show the grime the house had accumulated over the decades, thanks to an AI repainting the walls or refinishing floors.³

Furthermore, AI staging has the potential to be misleading to prospective tenants. Some rental properties will stage their rooms with AI to make a room seem bigger than it actually is. In these situations, small rooms are depicted as fitting large pieces of furniture; however, upon closer inspection, the dimensions of the room would not accommodate such large items.

AI is used not only on the interiors of properties but also on the exteriors. A different article by Futurism shows the listing image of a rental property (on the left) compared to the actual image of the home (on the right) as depicted by Google Street View:⁴



While it is relatively clear that the image above was edited with AI, in many cases, this distinction is much more difficult. As GenAI advances, it will likely become increasingly challenging to identify when an image has been substantially altered using GenAI and other digital tools. This is exacerbated by the fact that some listings will not disclose whether the images they post have been digitally altered.

This form of digital editing, without disclosure, can have real impacts on prospective tenants. For instance, a renter could see a heavily altered image online and request to

³ Victor Tangermann, *Landlords Are Using AI to Make Photos of Nasty Apartments Look Clean and Modern* (November 2, 2025) Futurism, <https://futurism.com/artificial-intelligence/landlords-ai-photos-apartments-clean>.

⁴ Victor Tangermann, *The Listing for a Rental House is Mangled With AI So Badly That You'll Cackle Out Loud* (October 8, 2025) Futurism, <https://futurism.com/artificial-intelligence/listing-rental-house-mangled-ai>.

tour the rental property. Oftentimes, this happens during work hours, as many leasing offices only operate during business hours. This can result in lost wages and a frustrating experience for prospective tenants, as the property they toured may not be what they expected. In the worst-case scenario, a renter may elect to sign a lease without ever seeing the property, only to be shocked by reality upon their move-in, a practice that the author notes is increasingly common in the low-supply, high-demand rental market.

In recognition of this problem, the Legislature passed AB 723 (Pellerin, Ch. 497, Stats. 2025). AB 723 required real estate brokers, salespeople, or people acting on their behalf to disclose, in an advertisement or other promotional material, if an image was digitally altered. The bill further required that, if an image had been digitally altered, then a real estate broker or salesperson would be required to provide a link to the original, unaltered images. Lastly, the bill specified that simple, non-substantial editing techniques, such as sharpening, cropping, color correction, and lighting adjustments, are excluded from alterations that require compliance with the bill. Importantly, however, AB 723 only applied to the sale of real property; thus, digitally altered images used in advertisements for rental properties were not covered.

3. What this bill does

This bill extends the disclosure requirements of AB 723 to advertisements of rental properties, with one distinction. It requires a person who includes a digitally altered image in an advertisement or other promotional material for rental properties to disclose that the image has been digitally altered and to provide the original, unaltered image. The bill further specifies that the disclosure requirements do not apply to architectural or artistic renderings that were not created using a capture device. This bill also provides that a violation of its provisions constitutes a violation of the Real Estate Law if the violator is a real estate licensee holder. Lastly, in recognition that rental properties are often posted on third-party websites, this bill does not require rental property advertisements to include a link to the original image.

This bill also makes some minor clarifications to AB 723. Under existing law, the “sale” of real property also includes leaseholds of more than a year. Recognizing the difference between the transfer of property and leasing property, this bill clarifies that AB 723 does not apply to advertisements for a leasehold extending over a year and, instead, subjects these digitally altered images to the requirements under this bill.

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.

4. Stakeholder Positions

Consumer Reports writes in support:

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.⁵ 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.⁶ 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.⁷ 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.⁸

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,

⁵ Victor Tangermann, *Landlords Are Using AI to Make Photos of Nasty Apartments Look Clean and Modern* (November. 2, 2025) Futurism, <https://futurism.com/artificial-intelligence/landlords-ai-photos-apartments-clean>.

⁶ X.com, @DeeLaSheeArt (October 6, 2025) <https://x.com/DeeLaSheeArt/status/1975285581782597977/>.

⁷ Tanya Chen, *The Housing Market Is Already Terrible. A.I. Is Making It Even Worse* (October 17, 2025), Slate, <https://slate.com/business/2025/10/home-buying-artificial-intelligence-slop-real-estate.html?>.

⁸ Kat Tenbarge, *Real Estate Is Entering Its AI Slop Era* (Oct. 26, 2025) Wired, <https://www.wired.com/story/real-estate-is-entering-its-ai-slop-era/>.

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.

SUPPORT

Consumer Reports

PowerCA Action

OPPOSITION

None received

RELATED LEGISLATION

AB 723 (Pellerin, Ch. 497, Stats. 2025) *See* Comment 2.

PRIOR VOTES:

Senate Business, Professions and Economic Development Committee (Ayes 8, Noes 1)

Assembly Floor (Ayes 77, Noes 0)

Assembly Appropriations Committee (Ayes 14, Noes 0)

Assembly Privacy and Consumer Protection Committee (Ayes 15, Noes 0)
