

THIRD READING

Bill No: AB 2025
Author: Pellerin (D)
Amended: 8/17/26 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-1, 6/8/26
AYES: Wahab, Archuleta, Arreguín, Caballero, Grayson, Menjivar, Niello,
Smallwood-Cuevas
NOES: Strickland
NO VOTE RECORDED: Choi, Umberg

SENATE PRIV., DIGITAL TECH. & CONS. PROT. COMMITTEE: 8-0, 6/22/26
AYES: Cabaldon, Gonzalez, McNerney, Ochoa Bogh, Padilla, Reyes, Umberg,
Wiener
NO VOTE RECORDED: Jones

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 77-0, 5/14/26 (Consent) - See last page for vote

SUBJECT: Tenancy: digitally altered images: disclosure

SOURCE: Author

DIGEST: This bill requires a person who includes a digitally altered image to promote a real property rental to disclose that the image has been altered and provide a link, URL, or QR Code to a publicly accessible website to view the original image or to include the unaltered image if the image is posted to a website over which the person has control. This bill provides that a violation of the disclosure and posting requirements by a licensee of the Department of Real Estate is a violation of the Real Estate Law.

Senate Floor Amendments of 8/17/26 specify that a “digitally altered image” could mean an image that has been fully generated through artificial intelligence software in addition to an existing image that was altered. Amendments also remove a

statement about this bill's provisions not altering or abridging Attorney General (AG) of any law pertaining to false or misleading advertising.

ANALYSIS:

Existing Law:

- 1) Prohibits any person from engaging in the business of a prepaid rental listing service unless licensed in that capacity or unless licensed as a real estate broker. (Business and Professions Code [BPC] § 10167.2(a))
- 2) Provides that for any real property offered for sale or lease, any advertisement concerning any land or subdivision containing a written statement that is false or fraudulent, is a public offense punishable by a fine not exceeding \$1,000, or by imprisonment in a county jail not exceeding one year. (BPC § 10140)
- 3) Defines “digitally altered image” as 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. (BPC § 10140.8(b)(1))
- 4) Exempts from the definition of “digitally altered image” an image where specified common photo editing adjustments are made that do not change the representation of the real property. (BPC § 10140.8(b)(2))

This bill:

- 1) Specifies that a violation is cause for discipline against a licensee of the Department of Real Estate (DRE).
- 2) Defines “digitally altered image” in the Civil Code as an image that meets either of the following conditions:
 - a) It has been fully generated through artificial intelligence software by or at the direction of a person.
 - b) It was an existing image that has been altered by or at the direction of a person 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.

- 3) Requires a person who includes a digitally altered image in an advertisement or other promotional material for rental of real property to provide a link, URL, or QR Code to a publicly accessible website to view the original image.
- 4) Requires a person to include the unaltered version of the images from which the digitally altered images were created in the posting if the advertisement or promotion material is posted on a website over which the person has control. This requirement can be met by complying with 3).
- 5) Specifies that architectural or artistic rendering is not considered an unaltered image for the purposes of this bill.

Background

Digital Staging of Rental Properties. Similar to real estate sales, property managers stage rental properties by moving furniture into an empty property and arranging it in visually pleasing ways to give prospective renters an idea of the home's potential. However, staging requires the property to be vacant, which results in increased costs and lost income for the property owner or landlord. Alternatively, digital staging is a useful and economical way to portray a property in its best light. Digital staging can insert or change features of a rental, including furniture and décor, to highlight the home's possibilities. It can also remove items from images including out-of-date furniture and décor, as well as personal belongings.

Virtual staging can become misleading when it is used to substantially alter the condition of the property by improving unappealing views from windows that cannot be changed, removing unsightly features, repairing damage, updating floors and cabinetry, adding non-existent landscaping, and other alterations to the image. As editing tools and artificial intelligence improve and become more user friendly and widely used, the difference between an altered image can be difficult, if not impossible, to distinguish from an unedited image. Misrepresentations can become especially harmful when image alterations hide a state of disrepair or unsafe conditions or when a person commits to move into a rental based solely on the images, such as with a long-distance move.

To promote transparency in advertising, this bill requires any person who posts a digitally altered image to disclose that fact and provide a link, URL, or QR Code to a publicly accessible website to view the original image.

The Real Estate Law and DRE Licensees. The Real Estate Law defines supplying prospective tenants with listings of residential real properties for tenancy as a “prepaid rental listing service,” and requires a person to obtain a broker’s license from the Department to provide these services.

Additionally, the Real Estate Law establishes various causes for discipline when any person acting as a real estate broker or salesperson makes false or misleading statements in advertising. Last year, AB 723 (Pellerin, Chapter 497, Statutes of 2025) addressed the content of images used in an advertisement for the sale of real property; however, the content of images used in rental property is not addressed by existing law. This bill provides that it is a violation of the Real Estate Law when a licensee of the DRE does not comply with posting and disclosure requirements concerning digitally altered images in advertisements for rental properties and subjects the licensee the disciplinary action.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 8/14/26)

Consumer Reports
PowerCA Action

OPPOSITION: (Verified 8/14/26)

None received

ARGUMENTS IN SUPPORT: Consumer Reports writes, “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...Providing some basic bright-line rules of the road will lead to a more honest and equitable marketplace for California residents.”

PowerCA Action writes, “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.”

ASSEMBLY FLOOR: 77-0, 5/14/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Flora, Celeste Rodriguez

Prepared by: Yeaphana La Marr / B., P. & E.D. /
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