

June 25, 2025

Senate Majority Leader John Thune
Senate Minority Leader Chuck Schumer
The Honorable Members of the United States Senate
Washington, D.C. 20510

RE: Opposition to Federal Preemption of State AI Laws

Dear Majority Leader, Minority Leader, and Senators,

We are a group of housing, labor and racial justice organizations writing to express our strong opposition to a provision in the budget reconciliation bill that would preempt state and local laws governing artificial intelligence (AI) or require no action on AI regulation to be eligible for critical federal funding. Not only would these vastly overstep federal authority by restricting action by states and localities and those closest to the actual problems, but it also ignores documented harms and would block potential solutions.

Evidence has found that AI is behind rental decisions for two-thirds of tenants, with over one-third of landlords following the AI recommendations in lieu of their own discretion.¹ The study also found statistically significant denial rates for Black and Latino applicants. Recent lawsuits underscore what's at stake: tenant screening AI disproportionately screens out Black and Latino applicants, and discriminates based on source of income.²³ The risks of an unfair AI-backed housing system led to HUD's 2024 guidance calling on landlords to limit their use of the technology in order to uphold the Fair Housing Act.⁴

It's not just how tenant applications are screened—states are moving to pass laws preventing many forms of algorithmic overreach. For example, RealPage is alleged to have used AI to enable competitor landlords to coordinate artificial and illegal rent

¹ TechEquity, [Screened Out of Housing Update: Findings from Georgia and North Carolina](#), April 2025

² Connecticut Fair Housing Ctr et al v. CoreLogic Rental Property Solutions, LLC, No. 3:2018cv00705

³ Louis et al. v. SafeRent Solutions, LLC et al., Case No. 1:22-cv-10800

⁴ HUD Archives: "[HUD Issues Fair Housing Act Guidance on Applications of Artificial Intelligence](#)." Accessed 4 June 2025.

hikes, prompting seventeen states to introduce bans on AI rent-setting software.⁵⁶ Our laws, whether renter protections, anti-monopoly statutes, or privacy regulations were passed before the proliferation of advanced technology. We need new laws that address 21st century realities of how technology impacts every facet of our lives. Harms from AI tenant screening, building surveillance, and rent setting are already manifest in inequitable housing outcomes for low-income renters, renters of color, and disabled renters. We cannot give up the power to hold these systems accountable or advance policies nimble to the new ways AI will continue to evolve.

Housing inequities are not new; what is new is how AI brings speed, scale, and secrecy to harmful practices. Tenants, already bearing the brunt of the entrenched cost of living crisis, cannot be sacrificed to unregulated technology with demonstrated patterns of discriminatory uses. We urge you to remove all restrictions or conditions on local and state ability to regulate AI from the “One Big Beautiful Bill Act” budget reconciliation bill and resist attempts to move this policy in any other form.

Sincerely,

Alliance for Housing Justice

TechEquity Collaborative

National Housing Law Project

National Alliance to End Homelessness

National Low Income Housing Coalition

PolicyLink

Race Forward

Poverty & Race Research Action Council

Private Equity Stakeholder Project

Liberation in a Generation

⁵ United States of America et. al. v. Realpage Inc., 1:24-cv-00710 (2024). RealPage’s tool “helps curb [landlords’] instincts to respond to down-market conditions by either dramatically lowering price or by holding price when they are losing velocity and/or occupancy. . . . Our tool ensures that [landlords] are driving every possible opportunity to increase price even in the most downward trending or unexpected conditions”

⁶ Arizona, California, Colorado, Connecticut, Hawaii, Idaho, Illinois, Kentucky, Maryland, Minnesota, New Hampshire, New Mexico, New Jersey, New York, Texas, Virginia, and Washington.

Health in Partnership

PowerSwitch Action

People's Action Institute

United for a New Economy

Public Advocates

ONE DC

DC Jobs With Justice

Homes For All South

Housing Now!

Tenants Together