

New York Algorithmic Pricing Law Enacted as Other Jurisdictions Weigh Controls on Price-Setting Technologies

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January 20, 2026

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Executive Summary

- **What's new:** New York's Algorithmic Pricing Disclosure Act is now in effect, imposing a disclosure requirement on companies that use algorithms to set prices for goods and services based on consumers' personal data.
- **Why it matters:** The law is the first to require a prominent disclosure that a pricing algorithm was used, but various restrictions on the use of personalized pricing based on data about a customer have been proposed in a number of other jurisdictions.
- **What to do next:** Companies should evaluate the software and data they use to set prices, confirm compliance with enacted statutes, and monitor legislative developments at the federal, state and local level, as well as any related case law.

New York's Algorithmic Pricing Disclosure Act

On November 10, 2025, New York's Algorithmic Pricing Disclosure Act, N.Y. Gen. Bus. Law § 349-a, took effect. The act survived a First Amendment challenge, becoming the first enacted statute of its kind. It requires companies that set prices using an algorithm based on consumers' personal data to display a disclosure stating, "THIS PRICE WAS SET BY AN ALGORITHM USING YOUR PERSONAL DATA." Personal data is defined as "any data that identifies or could reasonably be linked, directly or indirectly, with a specific consumer or device."

Companies that do not comply may face civil penalties of up to \$1,000 per violation. New York Attorney General Letitia James signaled her readiness to enforce the act by issuing a consumer alert encouraging consumers to report companies that do not display adequate disclosures.

Trends in Legislation Targeting Algorithmic Pricing

The New York law is the latest development in a wave of proposed federal, state and local legislation targeting algorithmic pricing.

California

California Assembly Bill 325, Cal. Bus. & Prof. Code §§ 16729, 16756.1, went into effect on January 1, 2026. The bill prohibits the use or distribution of "common pricing algorithms" in anticompetitive agreements. It also prohibits the use or distribution of a common pricing algorithm where a person coerces another person to set or adopt a recommended price or commercial term.

Legislation Targeting Algorithmic Pricing in the Rental Housing Market

Governor Kathy Hochul signed New York Senate Bill 7882, New York General Business Law § 340-b, which prohibits the use of software that makes price recommendations based on data other than the user's own in the rental housing industry. RealPage Inc., a provider of rental housing revenue management software, is challenging the statute on First Amendment grounds. The Attorney General's Office has agreed to stay enforcement of the statute against RealPage and its customers pending resolution of RealPage's preliminary injunction motion.

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Other states and municipalities that have passed legislation restricting the use of algorithmic pricing in rental housing include Connecticut, San Francisco, Philadelphia, Minneapolis, Seattle and Portland.

Pending State and Federal Legislation

Senator Amy Klobuchar, D-Minn., introduced the Preventing Algorithmic Collusion Act of 2025, which would presume an agreement under federal antitrust law when companies share competitively sensitive information through a pricing algorithm. This bill has been referred to the Senate Judiciary Committee.

With 2026 state legislative sessions underway, bills restricting and requiring disclosure of the use of price algorithms have been introduced in Tennessee and New Mexico.

Next Steps

Companies that do business in New York and use dynamic or personalized pricing should assess their pricing practices and comply with the state's new disclosure requirements.

As varied legislation develops across jurisdictions, companies that employ algorithmic pricing should evaluate the software and data used to set their prices and monitor new state and federal requirements, as well as any case law related to use of pricing algorithms.

See also our January 13, 2026, article "[Algorithmic Pricing Decisions Have Favored Defendants, but the Law Will Continue to Evolve in 2026.](#)"