

## CAR Best Practices for Digitally Altered Photos

A new law, **Assembly Bill 723 (AB 723)**, will soon change how real estate professionals advertise properties using digitally altered images. This bill, which adds **Section 10140.8 to the Business and Professions Code**, was a key focus for C.A.R.

From the start, the California Association of Realtors (CAR) was deeply engaged on this issue. CAR opposed the initial bill, arguing that it was duplicative of existing false advertising laws and created "unnecessary liability and risks unintended consequences" for members.

CAR's advocacy focused on two key problem areas:

**Vague Definitions:** The initial language risked penalizing agents for "routine, good-faith edits" like decluttering or minor corrections, which are standard industry practices. CAR pushed for a clear definition that targeted only *material* changes.

**Third-Party Liability:** The bill could have made licensees liable for images scraped by or posted on third-party websites that they do not control.

**CAR's voice was partially agreed with.** The final version of the bill includes amendments that "attempt to address opposition concerns". Specifically, the law now clearly exempts common photo-editing techniques and limits an agent's compliance burden to websites they directly control.

Here is a clear breakdown of the new law as passed best practices for compliance.



### The Heart of the Law: What's "Altered" and What Isn't?

This law is **not** intended to penalize professional photography. Its goal is to stop deceptive alterations that mislead consumers about the physical reality of a property. The law itself, in BPC § 10140.8, creates a, two-part definition:

#### 1. What IS an "Altered Image" (Disclosure Required)

A disclosure is required if an image is "altered through the use of photo editing software or artificial intelligence to **add, remove, or change elements**" of the real property.

This includes, but is not limited to, changes to:

Furniture, appliances, flooring, and walls

Fixtures, paint color, hardscape, and landscape

Elements "outside of, or visible from, the property," such as streetlights, utility poles, views through windows, and neighboring properties

This also includes "virtual staging" where furniture or other physical attributes are digitally added to a room.

## **2. What IS NOT an "Altered Image" (NO Disclosure Needed)**

This is the key clarification CAR successfully lobbied for. You **do not** need a disclosure for "common photo editing adjustments" that "do not change the condition" or "representation" of the real property.

The law explicitly exempts:

Lighting

Sharpening

White balance

Color correction

Angle

Straightening

Cropping

Exposure

**The Rule:** You can make the photo look *better* (brighter, crisper, more true-to-life). You cannot make the property look *different* (new grass, no power lines, different-colored cabinets).

### **Disclosure Duties: How to Comply**

If you use an image that meets the definition of "digitally altered," you must do the following:

- 1. For ALL Advertising (Print or Online):** You must include a "reasonably conspicuous statement" on or next to the image disclosing that it has been altered.

- 2. For PRINT Advertising (Flyers, Mailers, etc.):** In addition to the disclosure statement, you must also provide:

"a link to a publicly accessible internet website, URL, or QR code that includes, and clearly identifies, the original, unaltered image".

- 3. For ONLINE Advertising (MLS, Website, etc.):** The law provides a more direct compliance path for websites "over which the real estate broker or salesperson... has control". You have two options:

**Option A:** Follow the print rule (disclosure statement + link/QR code).

**Option B:** Simply "include the unaltered version of the picture" in the posting itself.

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## **Best Practices for Easy Compliance (Check with your Broker for Broker Specific Guidance) ALL MLS PLATFORMS ARE EVALUATING THIS LAW**

This law goes into effect on January 1st, 2026

Here is a straightforward action plan (Check with your Broker, for Broker specific rules:)

### **For Print Ads:**

- Create a single, public webpage or photo gallery (like on a brokerage site or a cloud service) with all the *original* photos for that listing.
- Generate a single QR code that links to that gallery.
- On any altered photo in a flyer, add the text: "Image has been digitally altered. Scan QR code for original photos."

### **For Online Ads (The Easiest Way):**

- When uploading to the MLS or a website that your firm has control over, simply upload **both** versions of the photo.
- Use the photo caption to label them clearly. This satisfies all requirements.
- **Altered Photo Caption:** "Virtually Staged" or "Digitally Altered"
- **Original Photo Caption:** "Original Photo - Unaltered"
- By posting both labeled photos in the same gallery, you are being "reasonably conspicuous" and are "including the unaltered version", placing you in full compliance.

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### **Why this was pushed for: Trust and Transparency**

The Consumer Federation of California pushed for this law to protect consumers from being "misled" and to give them a "true picture" of the property.

They said "Today, with the advancement of technology these tricks are easier than ever. But consumers are far too often misled by such images, only to waste their valuable time and effort when they actually see the property in person. To many consumers this feels like a bait and switch tactic, and we would argue that in some cases this is an unfair business practice."

[Find C.A.R. information regarding new laws for 2026 here.](#)