ility Empowering People to Lead Systemic Change



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HB 0817 – Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent-Prohibition

Hearing before the Environment & Transportation Committee, February 18, 2025 POSITION: <u>SUPPORT</u> (Favorable)

Disability Rights Maryland (DRM) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to increase opportunities for Marylanders with disabilities to be part of their communities and live in safe, affordable, and accessible housing.

DRM <u>supports</u> HB 0817 as an effective measure to reduce rising housing costs across the state. HB 0817 prohibits landlords from utilizing certain algorithmic devices to determine the amount of rent to charge a tenant by making the violation an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act.

Technology such as RealPage have been used to determine rent in 100,000 apartments across Maryland. This allows landlords across an area to raise rents simultaneously, eliminating competition by providing user-groups, sharing sensitive user data, and disclosing sensitive information to improve user-groups. Since 2020, the cost of living in Maryland increased 22%. On average, landlords utilizing algorithmic devices charged renters \$70 more per month than those who did not.

When rents rise above the amount they've allotted for that expense, tenants with disabilities must choose between medication and housing, dialysis, homelessness or institutionalization. If technologies such as RealPage continue to govern market rent, Maryland citizens with limited mobility will be forced to uproot themselves, their medical team, and their lives. As such, letting companies determine rent prices together utilizing data-collection technology puts disabled tenants at risk of displacement.

Maryland is already in an affordable housing crisis. The National Low Income Housing Coalition (NLIHC) documents affordable and available homes per every 100 renter households ("HHs") in Maryland by area median income (AMI) as follows: 80% AMI, 97 homes per 100 renter HHs; 50% AMI, 59 homes per 100 renter HHs; ELI (30% or lower AMI), 32 homes per 100 renter HHs. More than half of Maryland renters are cost burdened. As of the 2020 census, Maryland had 2,530,844 households, out of which approximately 754,068 are currently renter households. More than 50% of Maryland renters are cost burdened, paying more than 30% of their wages on housing-related costs. While 26% of these renters are extremely low-income households (ELI), meaning their incomes are at or below the poverty guidelines or 30% of their

¹ See NLIHC -State Data Overview: Maryland | National Low Income Housing Coalition (2025)

² U.S. Census, 2020. Maryland - Census Bureau Profile

³ See NLIHC, <u>Out of Reach: Maryland | National Low Income Housing Coalition</u> (2025); see also, <u>Almost 50% of Maryland renters are housing cost burdened – including 25% of renters who pay over half of their income toward rent.</u>

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area median income (AMI) (*Ibid*, at note 2). Seventy-three percent (73%) of ELI renter households are severely cost burdened, meaning they spend more than 50% of their income on rent and utilities. *Id*. In Maryland, more than half of all people with disabilities had annual household incomes below \$15,000 in 2016.⁴ The approximately 82,873 Marylanders whose sole income is Supplemental Security Income (SSI) benefits,⁵ currently \$967.00 a month, cannot afford a one-bedroom or even an efficiency apartment **in any** Maryland county without also having a housing subsidy.⁶

Rents are already unsustainable for low and extremely low-income Maryland households. Maryland should prohibit any non-competitive mechanism landlords may use to further increase the cost of living for Marylanders already living on the precipice of homelessness.

For the above-stated reasons, DRM urges your support of HB 0817.

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⁴ MD. DEPT OF HEALTH, BRFSS BRIEF: DISABILITY AND HEALTH AMONG MARYLAND ADULTS (August 2018), https://health.maryland.gov/bhm/DHIP/Documents/BRFSS BRIEF 2018-08 Disability.pdf.

⁵ An additional 30,523 receive SSI and Social Security benefits. *See* Social Security Administration, <u>SSI Recipients</u> by State and County, 2023 - Table 3 - Maryland.

⁶ TECHNICAL ASSISTANCE COLLABORATIVE, PRICED OUT: THE HOUSING CRISIS FOR PEOPLE WITH DISABILITIES (2025), Priced Out - TAC.