Maryland

DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

WES MOORE
Governor

ARUNA MILLER
Lt. Governor

JACOB R. DAY
Secretary

JULIA GLANZ
Deputy Secretary

DATE: **February 11th, 2025**

BILL NO.:   **Senate Bill 609**

TITLE: **Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent - Prohibition**

COMMITTEE: **Senate Judicial Proceedings**

Letter of Support

Description of Bill:
Senate Bill 609 would prohibit landlords from using algorithmic devices that are trained on or actively use nonpublic competitor data to determine rent, rent increases, and other fees. The legislation also states that a violation of the prohibition would be an unfair, abusive, or deceptive trade practice under Maryland commercial law, and be subject to the appropriate enforcement and penalties under current law.

Background and Analysis:
On January 15th, 2025, Attorney General Brown announced a lawsuit against RealPage, Inc. and six of the largest residential landlords in Maryland, alleging these landlords used RealPage's algorithmic device to create a noncompetitive market, violating antitrust law. These landlords are alleged to have shared sensitive, nonpublic data – including rental prices, occupancy rates, and other similar information – with RealPage as a method of price-fixing. RealPage used this sensitive data to create and enforce above market rental rates with colluding landlords, creating a noncompetitive environment for Maryland renters and artificially inflating rents market wide. In addition to the Attorney General's suit, several other lawsuits from government agencies alleging similar violations by RealPage and landlords – including a federal antitrust suit – demonstrates the widespread effect that RealPage's technology has had.

The Moore-Miller administration is dedicated to increasing protections for renters, in addition to improving the affordability of housing in Maryland. The use of algorithmic devices causes more affordability issues for Maryland renters, harming the progress that has been made. As the Attorney General's lawsuit lays out, these price hikes were not only harmful to the Marylanders who directly rented from these landlords, but artificially increased rental prices among bad actors has an effect on the prices of surrounding rental properties, whose owners raise rents to match the changes in the market.

The recent lawsuits have cast a bright light on the use of algorithmic devices by landlords, revealing the glaring lack of regulation on this new technology. Senate Bill 609 is in line with the actions being taken by other states, as well as the federal government, where similar bills have been introduced to prevent "algorithmic collusion" within the housing market. Senate Bill 609 provides greater protection for renters by prohibiting nonpublic data from being shared and used against them without any consent.

DHCD Position
The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 609.

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD ● LANHAM, MD 20706 ● DHCD.MARYLAND.GOV
301-429-7400 ● 1-800-756-0119 ● TTY/RELAY 711 or 1-800-735-2258

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