

SB0609-CFA-Winters.pdf

Uploaded by: Ben Winters

Position: FAV

February 7, 2025

CFA's Strong Support Of SB0609/HB0817

The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Today, nearly 250 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors.

CFA urges speedy passage of SB0609, which would prohibit landlords from using an algorithm fueled by non-public rental data to keep rental prices and terms artificially unfair.

Algorithms increasingly mediate critical determinations for Marylanders – housing eligibility, hiring decisions, credit rate determinations, what content they're shown, and more. This is often done with no transparency or choice for consumers, and to the detriment of their opportunities and bank accounts.

In the past several years, as reporting and lawsuits by the Department of Justice and [Attorney General Brown](#) illustrate, major property management companies and landlords conspired to keep rent prices and terms artificially high by sharing non-public data with the same third party companies – leading to unfair terms for over 100,000 Marylanders.

[Jurisdictions have already mobilized to prohibit these actions](#) – similar measures were passed in Philadelphia and San Francisco last fall, and have been introduced in California, Colorado, New Jersey, New York, and Virginia this term.

This bill is simple, well-tailored, and will address this illegal and immoral behavior while allowing for rental prices to reflect a competitive market.

Maryland has the chance to be a leader in helping cut costs, fight for consumers, and simply prohibit clearly anticompetitive behavior regardless of what technology is used to do it. By passing SB0609, you can do exactly that.

Ben Winters
Director of AI & Privacy
bwinters@consumerfed.org

SB0609_Use_of_Algorithmic_Device_by_landlord_to_De

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0609

Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent

Bill Sponsor: Senator Love

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in strong support of SB0609 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

It's bad enough that Maryland is an expensive state to live in without landlords colluding on rent increases. In Maryland, the Attorney General has already initiated a lawsuit against RealPage, whose software is used by many landlords to calculate rental increases. A report last month from the Biden administration estimated that the use of anticompetitive algorithms such as RealPage cost renters \$3.8 billion in 2023, with the average renter in a building using this software paying \$70 a month more than that person would if the building weren't using the program.

This bill would prohibit landlords from using such software, which allows them to input nonpublic, competitively sensitive data — for example, the number of potential tenant visits to a property — to estimate supply and demand, and then generate a 'price' to charge that maximizes the landlord's revenue.

Our members are appalled at the gift and support efforts to keep this kind of price setting software out of the hands of landlords in Maryland.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

SB609_DHCD_SUPPORT.pdf

Uploaded by: Chuck Cook

Position: FAV

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.

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Uploaded by: Franz Schneiderman

Position: FAV



Testimony to the Senate Judicial Proceedings Committee
SB 609 — Residential Leases —
Use of Algorithmic Device by Landlord to Determine Rent -- Prohibition
Position: Favorable

The Honorable Will Smith
Judicial Proceedings Committee
2 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Judicial Proceedings Committee

Feb. 11, 2025

Dear Chairman Smith and Committee Members,

I'm a consumer advocate and Executive Director of Consumer Auto, a non-profit group that works to secure safety, transparency, and fair treatment for Maryland drivers and consumers,

We support **SB 609** because it will protect Maryland renters against unfair (and probably illegal) rent hikes caused by the fast-growing use of anti-competitive rental price-fixing software. These algorithmic pricing practices are costing Maryland tenants millions in added rent payments – and will cost renters much more if their use continues to expand unchecked in our already high-priced, shortage-plagued rental housing market.

The rent-setting systems this bill addresses (chiefly RealPage, Inc.) coordinate private and competitively sensitive data on rents, vacancies, tenant visits, and other factors to estimate total demand – and set a rent price that maximizes landlord revenue (often through aggressive and repeated rent hikes). They allow landlords to collude indirectly through the software hub – in ways they surely couldn't legally do directly. This amounts to a kind of a "hub and spoke conspiracy" (in which the software system acts as the price-fixing hub and the corporations that own many multifamily housing properties are the spokes).¹

As a December report from the White House Council on Economic Advisers explains, these systems give monopolistic power to otherwise independent property owners. They enable individual landlords to "act as if they are a single dominant landlord, and use their collective market power to increase profits by setting higher prices," the CEA found.² The report found that these systems cost renters across the country at least \$3.6 billion extra in direct costs and cost renters in properties that use them an average of an extra \$70/month in rent. In the Washington, DC area, it estimated the average extra cost imposed on renters at \$112/month.³ The CEA report finds that about one in four multifamily apartment facilities are now using these costly systems – and as the Washington Post and others have reported, their use is rapidly growing.⁴

¹ <https://www.economicliberties.us/our-work/a-new-culprit-in-the-housing-crisis-rent-setting-software-algorithms/#>

² <https://popular.info/p/ai-costs-american-renters-over-36>

³ Ibid.

⁴ <https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/>



The lawsuit Attorney General Anthony filed against RealPage in January argues that its systems are now pushing up the prices of more than 100,000 apartments in our state – by an average of 2 to 7 percent each – and costing Marylanders millions in the process. The lawsuit filing calls these pricing algorithms “a high-tech way of achieving a classically anti-competitive and unlawful result: agreeing not to undercut the prices of one’s competitors.”⁵ The U.S Department of Justice (joined by eight states), and the Attorneys General for the District of Columbia and Arizona have also filed suits to stop this price-fixing practice. More than 20 private class action suits have also been filed to stop the practice.

But pending court action, the use of RealPage continues to grow quickly. And indeed, RealPage continues to work aggressively to push up rents, not just by recommending that its clients raise rates but by pushing them aggressively them to do so. Users report that RealPage customers are only allowed to deviate from its price recommendations only by special request, backed up by further documentation. RealPage staff are apparently trained to reject such requests and one leasing agent cited in one of the lawsuits insists that “deviation requests were rejected 99% of the time.”⁶ Not surprisingly these aggressive price hikes are also linked to increased displacement of renters. One landlord client noted that RealPage recommendations boost “turnover rates” by 15% -- as many renters are forced to seek other housing options as rent rates rise.⁷

By prohibiting landlords from using “**an algorithmic device that uses, incorporates, or was trained with nonpublic competitor data**” **SB 609** would protect Marylanders against further rent increases and housing displacement prompted by these price-fixing systems. Philadelphia and San Francisco have already passed similar legislation and other cities and states are actively looking at such regulations.

Renters and lower-income Marylanders are already deeply burdened by rent costs that average about \$1,900/month. We shouldn’t wait for possible (and uncertain) court rulings to protect them against additional cost hikes.

This bill does not impose price controls on landlords or prevent them from using their own information to reassess rates. But it would prevent unfair collusion and algorithmic price-fixing that hurts renters.

We support SB 609 and hope you will give it a FAVORABLE report.

Sincerely,

Franz Schneiderman

Consumer Auto

⁵ <https://www.thebaltimorebanner.com/community/housing/realpage-maryland-ag-price-fixing-rents-FH4KWU6TDRAOFOWKJK5C6HJS24/>

⁶ <https://popular.info/p/ai-costs-american-renters-over-36>

⁷ <https://www.economicliberties.us/our-work/a-new-culprit-in-the-housing-crisis-rent-setting-software-algorithms/#>

SB 609 -- Jo Shifrin-- FAV .pdf

Uploaded by: Jo Shifrin

Position: FAV

Hearing: February 11, 2025
Jo Shifrin
Bethesda, MD 20817

TESTIMONY ON SB# 609 - POSITION: FAVORABLE

**Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent –
Prohibition**

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee

FROM: Jo Shifrin

OPENING: My name is Jo Shifrin. I am a resident of District 16. I am submitting this testimony in support of SB# 609, Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent – Prohibition.

I've been a resident of Montgomery County for the past 10 years. In that time, I have seen both a housing shortage and a continuing escalation in the price of housing. My support for this legislation comes from my grounding in Jewish values. Among these values are *Tikkun Olam*, an obligation to make the world a more fair and equitable place for people to live; and *Dei Machsoro*, an obligation to make sure that everyone has what they need to live and thrive. The need for housing is central to Jewish thought.

A technology-based services company, Real Page, Inc., which works with commercial real estate owners and property managers, apparently colluded with six of the largest residential landlords in Maryland to use the landlords' non-public competitor data to determine how high the landlords could inflate the price of rents. Not only is this a deceptive trade practice, but it makes the housing crisis in Maryland worse: it exploits the people who can least afford exorbitant rents and leads to greater housing insecurity and homelessness than there might otherwise be.

With the passage of this bill, landlords will think twice about using algorithmic devices and, hopefully, rental prices won't increase as much as they have in the past.

I respectfully urge this committee to return a favorable report on SB# 609.

SB609 Linda Moran

Uploaded by: Linda Moran

Position: FAV



Testimony of the Mayor and Council of Rockville
SB 609 -Residential Leases – Uses of Algorithmic Device by Landlord to
Determine Rent – Prohibition
SUPPORT

Thank you to Chair Smith and members of the Senate Judicial Proceedings Committee. I am Monique Ashton, Mayor of Rockville, and I thank you for the opportunity to testify in support of SB 609, which would prohibit a landlord from using certain algorithmic software that leverages non-public competitor data to set residential rents. We thank Senators Love and Hester for sponsoring this important and timely legislation.

The U.S. Department of Justice, together with the Attorneys General of North Carolina, California, Colorado, Connecticut, Minnesota, Oregon, Tennessee, and Washington, filed a civil antitrust lawsuit against RealPage Inc. for colluding to raise residential rental prices, decreasing competition among landlords in apartment pricing, and monopolizing the market for commercial revenue management software that landlords use to price apartments. Eight multi-family properties in the City of Rockville have been identified as being managed by companies named in the lawsuit. Together, this represents nearly 2,000 market-rate apartments in Rockville – meaning there are nearly 2,000 families who may be paying higher rents than needed due to this sharing of non-public competitor data and algorithms that have an unfair impact on renters. Estimates from the D.C. metro area approximate that landlords’ use of these unfair approaches to algorithms has cost the average renter an additional \$112 a month.

The Rockville Mayor and Council take the issue of housing affordability seriously. We care deeply about our community and have developed 43 action items to increase housing supply and affordability in the City of Rockville. Nearly half of Rockville households are renters, a percentage which continues to grow. Our community would greatly benefit from the additional protections in the legislation against price collusion for residential rents that have a disproportionate impact on housing stability and affordability.

According to a January 2025 poll conducted by the Washington Post and the University of Maryland, 23% of Maryland voters cite affordable housing as the biggest problem facing the state. There are many actions needed to address this

massive challenge, one of which should be ensuring that rents are set fairly. To collude is unfair, abusive, and deceptive to tenants.

In conclusion, strong and fair tenant protections will make Maryland and Rockville a more affordable, desirable place to live. For these reasons, we urge the Committee to provide SB 609 with a favorable report. Thank you.

CLS Support for SB0609 - No Algorithmic Rent Deter

Uploaded by: Lisa Sarro

Position: FAV

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Deputy Director
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Karen Zayas



SB0609 Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent – Prohibition Judicial Proceedings Committee Hearing February 11, 2025

Position: FAVORABLE

To the Honorable Members of the Judicial Proceedings Committee:

Community Legal Services submits this testimony in support of SB0609. This legislation seeks to preserve housing stability for renters by **prohibiting landlords from using algorithmic devices** and/or programs to determine the amount of rent to charge a tenant. It will **provide critical relief to renters struggling under the weight of Maryland’s rising housing costs**, a burden that has been greatly exacerbated by landlords’ use of algorithmic devices to inflate rent costs. Furthermore, this legislation will **ensure that landlords comply with the Maryland Consumer Protection Act**, which protects Maryland consumers and tenants from unfair, abusive, or deceptive trade practices.

Community Legal Services (CLS) is a nonprofit organization that provides free legal services to support and advocate for the rights and well-being of Maryland’s most under-served communities. Much of what we do involves supporting housing security for individuals and families, many of whom reside in rental apartments or houses. Our organization is committed to the promotion of family and community stability and success through the provision of quality legal representation for those who would not otherwise have equitable access to justice and due process.

The Impact of Rent Determined by Algorithmic Devices

RealPage is one large company that sells programs with algorithmic rent-setting devices to landlords nation-wide. As a selling point for its product, RealPage advertises that the use of algorithmic devices to set rent “ensures that [landlords] are driving every possible opportunity to increase price even in the most downward trending or unexpected conditions.” However, instead of ensuring a free market for rental housing in Maryland, companies like RealPage exploit tenants by using non-public data from other landlords to **minimize competition among landlords and artificially raise rent costs above actual market trends**. This practice both precludes low to moderate-income individuals and families from securing new housing and forces those tenants out of housing when the rents rise when their lease term ends.

P.O. BOX 374 RIVERDALE, MD 20738-0374



WWW.CLSPGC.ORG



240 - 391 - 6370



240 - 391 - 6356

The Cost of Rent Determined by Algorithmic Devices

Tenants incur immense and unnecessary costs when renting from landlords who employ algorithmic devices. According to a White House report published in December of 2024, the use of rent price-setting algorithms in 2023 added an estimated \$3.8 billion in cost to renters nationwide. In our day-to-day work in Prince George's County, we represent countless tenants in eviction proceedings who fall behind on rent payments when landlords use programs with algorithmic devices. Tenants suffer financial stress and housing instability when landlords use these programs to raise a tenant's rent at the end of lease terms or to initially set the rent at artificially high rates compared to market trends. Additionally, these practices preclude tenants from moving into new housing, which forces some to remain in uninhabitable and/or unsafe housing conditions.

Rent Setting by Algorithmic Devices Violates the Consumer Protection Act

In 1967, the Maryland legislature wisely enacted the Consumer Protection Act (CPA) to protect consumers from unfair or abusive business practices. Under the CPA, a practice is unfair if it (1) causes harm, (2) cannot reasonably be avoided by consumers, and (3) does not benefit the consumers. Alternatively, an abusive practice is one that (1) materially interferes with a consumer's ability to understand a product, and (2) takes "unreasonable advantage" of consumers.

The use of algorithmic devices to set rent costs is an unfair practice because it (1) causes financial harm to tenants, (2) cannot be avoided by tenants who rent with landlords employing algorithmic devices, and (3) does not benefit tenants and instead only benefits landlords. Additionally, using rent-setting algorithmic devices is an abusive practice because it (1) materially interferes with tenants' ability to understand rent costs by hiding cost-determining information and landlord collusion from tenants, and (2) takes unreasonable advantage of tenants by minimizing landlord competition and artificially setting rent prices. The legislature has a responsibility to protect Maryland tenants by prohibiting the unfair and abusive practices of landlords renting property in the state.

Last month, Maryland Attorney General Anthony G. Brown announced a lawsuit against RealPage and six major landlords who employ rent-setting algorithmic devices for collecting private data from landlords to weaken competition and higher rents, in violation of the Maryland Antitrust Act. While this lawsuit is a positive step towards protecting Maryland tenants, it only focuses on the actions of RealPage and six landlords that impact over 100,000 apartments in the state. That's not enough. SB0609 further enshrines the protections that all Maryland tenants are entitled to receive against landlords' unfair and abusive business practices.

We Respectfully Urge this Committee to Issue a Favorable Report

For the reasons noted above, **Community Legal Services urges this committee to submit a favorable report on SB0609.** Please feel free to reach out to Jessica Quincosa, Executive Director, and Lisa Sarro, Director of Litigation and Advocacy, with any questions at quincosa@clspgc.org and sarro@clspgc.org, respectively.

SB609 Use of Algorithms to Determine Rent EconActi

Uploaded by: Marceline White

Position: FAV



Testimony to the Senate Judicial Proceedings Committee
SB609 Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent – Prohibition
Position: Favorable

February 11, 2025

The Honorable Senator William Smith, Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in strong support of SB609 which would prohibit landlords from using an algorithm drawn from private data to set rental prices.

A free and fair marketplace relies on competition where firms and producers compete for consumers based on price and quality. If the market is functioning, consumers decide to make purchases based on their preferences, price elasticity, and quality. When companies collude and fix prices, consumers lose out.

[RealPage](#) has been sued for using algorithmic software to suggest rental prices to property managers. Lawsuits allege that landlords provided private rental data to RealPage which then suggested rental prices for landlords.

In the Baltimore-Columbia-Towson area, 14% of multi-family units are managed by property companies named in the price-fixing lawsuits. According to [the Office of the Attorney General](#), RealPages algorithm was used to set prices for more than 100,000 apartments across Maryland.

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Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.



In 2023 [53.3%](#) of Maryland tenants were cost-burdened, meaning they spent more than 30% of their income on rent. The real costs of housing, insurance, utilities, and food prices have increased 22% since 2020 for working families in Maryland. Families are struggling paycheck to paycheck while property management companies across Maryland use private data to fix prices and increase profits at the expense of cash-strapped tenants.

SB609 promotes a free and fair competitive marketplace, protects personal private data, and protects tenants by prohibiting landlords from using algorithms to set rental prices.

For all these reasons, we support SB609 and urge a favorable report.

Best,

Marceline White
Executive Director

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Tax ID 52-2266235

Economic Action Maryland Fund is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

SB 609 Algorithmic Rent Ban FAV.pdf

Uploaded by: Matt Hill

Position: FAV



C. Matthew Hill
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SB 609: Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent – Prohibition

Hearing before the Senate Judicial Proceedings Committee on February 11, 2025

Position: FAVORABLE

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. The PJC advocates for systemic change to build a just society. **PJC supports SB 609 and asks for a favorable report.**

SB 609 Addresses the Crisis of Rent Collusion and Inflation. Rents in Maryland continue to soar with a [forecasted increase of 7.1% in the median rent in 2025](#). According to Zillow's Observed Rent Index, [rents have increased 35% since the pandemic – far outpacing inflation](#).

Rent Inflation Leads to Homelessness And Increased Costs to the State. It is no surprise that [almost 50% of Maryland renters are housing cost burdened – including 25% of renters who pay over half of their income toward rent](#). Rapid rent inflation means that families are living closer to the financial edge than ever. When these families experience any disruption in income, they quickly face an eviction action and potential spiral into poverty and homelessness. [Evictions throughout the state are rising back to pre-pandemic levels \(21,284 in FY 24\)](#). And we know that between 15-25% of individuals who are evicted become homeless. This has enormous costs for the individual, the community, and the state. Preventing eviction saves the state money by reducing homelessness and state-funded safety net costs related to shelter, educating students experiencing homelessness, health care, institutionalization of people with disabilities, foster care, decreased incarceration, and the economic impacts of increased employment and income stability.

SB 609 Is a Common-Sense Prohibition on Industry Collusion to Address Part of the Affordable, Sustainable Housing Crisis. SB 609 simply prevents landlords from using software algorithms that set rents and automate rent increases based on non-public, competitive data such as rents, vacancies, and lease terms. These algorithms are designed to maximize profits for all product subscribers by working together to increase rents – to the detriment of renters who must all then pay more than the free, fair market value.

RealPage is one example: Its "Revenue Management" product uses non-public, competitively sensitive data—for example, landlords' private estimates for occupancy or the number of potential tenant visits to

a property—to estimate supply and demand, and then generates a rent “price” that maximizes the landlord’s revenue. As alleged in the [Department of Justice lawsuit](#), RealPage pushes its software users into an auto-accept setting. Landlords cannot diverge from the software’s pricing except by special request. These requests must be vetted by RealPage staff, who are trained to push back against landlords who want to diverge from the software. Because of this price collusion, many landlords are [charging rents that are \\$70 to \\$112 higher](#) than the fair market would provide.

Algorithmic rents are the face of industry collusion in the 21st century, and our laws must adapt to meet this challenge. In recent months, multiple antitrust lawsuits have recently been filed against companies that offer such software, namely RealPage, Inc. and Yardi Systems, Inc, as well as some of their corporate landlord clients. [Maryland Attorney General Anthony Brown filed a lawsuit in January 2025 against RealPage, Inc. and six corporate landlords, which he describes as an illegal “cartel.”](#) Maryland’s lawsuit alleges that RealPage and the defendant landlords worked together to use RealPage’s Revenue Management technology to artificially drive rents above competitive rates. Brown’s underlying investigation revealed that the technology is used to set rents for more than 100,000 apartments across the state.

Current laws around price-fixing and anti-trust are outdated and insufficient to meet the moment of rapidly evolving software algorithms setting rent. SB 609 provides a brightline rule that such algorithms relying on non-public, competitive data are prohibited. SB 609 does not prevent the development or sale of software to help landlords manage their units generally or to set prices through the use of internal or public data. Nor does this bill regulate the amount of rent that a landlord may charge.

Public Justice Center **urges a favorable report on SB 609.** If you have any questions, please contact C. Matthew Hill, hillm@publicjustice.org (410) 625-9409 Ext. 229.

SB0609_FAV_City of Rockville_Res. Leases - Use of

Uploaded by: Monique Ashton

Position: FAV



Testimony of the Mayor and Council of Rockville
SB 609 – Residential Leases – Uses of Algorithmic Device by Landlord to
Determine Rent – Prohibition
SUPPORT

Thank you to Chair Smith and members of the Senate Judicial Proceedings Committee. I am Monique Ashton, Mayor of Rockville, and I thank you for the opportunity to testify in support of SB 609, which would prohibit a landlord from using certain algorithmic software to set residential rents. We thank Senator Love for sponsoring this important and timely legislation.

The federal government has sued property management software company RealPage for colluding to raise residential rental prices. Eight multi-family properties in the City of Rockville have been identified as being managed by companies named in the lawsuit. Together, this represents nearly 2,000 market-rate apartments in Rockville – meaning there are nearly 2,000 families who may be paying higher rents than needed due to unfairly set rents. Estimates from the D.C. metro area approximate that landlords' use of RealPage has cost the average renter an additional \$112 a month.

The Rockville Mayor and Council take the issue of housing affordability seriously. As of the 2020 Census, 45% of Rockville households are renters, a percentage which continues to grow. These residents would greatly benefit from the additional protections in the legislation against price collusion for residential rents.

According to a January 2025 poll conducted by the Washington Post and the University of Maryland, 23% of Maryland voters cite affordable housing as the biggest problem facing the state. There are many actions needed to address this massive challenge, one of which should be ensuring that rents are set competitively. To collude is unfair, abusive, and deceptive to tenants.

In conclusion, strong and fair tenant protections will make Maryland and Rockville a more affordable, desirable place to live. For these reasons, we urge the Committee to provide SB 609 with a favorable report. Thank you.

SB 609 - AI Rental Price Fixing - Love Testimony.pdf

Uploaded by: Sara Love

Position: FAV

SARA N. LOVE
Legislative District 16
Montgomery County

Judicial Proceedings Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**SB 609 – Residential Leases – Use of Algorithmic Device by Landlord
to Determine Rent - Prohibition**

Chair Smith, Vice Chair Waldstreicher, colleagues on JPR.

SB 609 seeks to stop the use of software that uses nonpublic, proprietary competitor data to fix rent prices.

In recent years, a small number of algorithmic rental pricing software products have pushed rents higher nationwide, including in Maryland. These products enable landlords to indirectly coordinate with one another by feeding non-public, competitively sensitive data on rents and vacancy rates into the software. Multiple antitrust lawsuits have been filed against companies that offer such software, namely RealPage, Inc. and Yardi Systems, Inc, as well as some of their corporate landlord clients. These include a lawsuit filed in August 2024 by the United States Department of Justice (DOJ), which was joined by 8 states;¹ a lawsuit filed by the District of Columbia Attorney General in November 2023; and a lawsuit filed by the Arizona Attorney General in February 2024. The lawsuits allege that these companies are enabling and participating in a scheme of unlawful rent price-fixing. Additionally, more than 20 federal private class action lawsuits have been filed nationwide. The DOJ filed a Statement of Interest in support of the class actions, stating such algorithms present a new frontier in price-fixing that “poses an even greater anticompetitive threat than the last.”²

Maryland Attorney General Anthony Brown similarly has filed a lawsuit against RealPage, Inc. and six corporate landlords, which he describes as an illegal “cartel.” Maryland’s lawsuit alleges that RealPage and the defendant landlords worked together to use RealPage’s Revenue Management technology to artificially drive rents above competitive rates. Brown’s underlying investigation revealed that the technology is used to set rents for more than 100,000 apartments across the state.³ According to the filing, this leaves many Maryland residents with no choice but to pay RealPage’s inflated rents, worsening the state’s ongoing affordable housing crisis.

¹ Joining the [DOJ complaint](#): North Carolina, California, Colorado, Connecticut, Minnesota, Oregon, Tennessee, and Washington.

² [Statement of Interest of the United States: In Re: RealPage, Rental Software Antitrust Litigation \(No. II\)](#)

³ [Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Residents](#)

Of particular concern is RealPage’s unparalleled access to proprietary data. Its “Revenue Management” product uses non-public, competitively sensitive data—for example, landlords’ private estimates for occupancy or the number of potential tenant visits to a property—to estimate supply and demand, and then generates a rent “price” that maximizes the landlord’s revenue.

RealPage goes further than providing a recommendation for rent; the company tracks and enforces each landlord’s compliance with RealPage’s rental pricing. The company takes extensive measures to prevent landlords from setting rents lower than the company’s recommendations. As alleged in the DOJ lawsuit, RealPage pushes its software users into an auto-accept setting so that price recommendations are automatically accepted. Landlords cannot diverge from the software’s pricing except by special request accompanied by supporting documentation. These requests must be vetted by RealPage staff, who are trained by their employer to push back against landlords who want to diverge from the software’s pricing.

Use of RealPage is growing. A recent analysis by *The Washington Post* revealed that 232 properties in Maryland rely on RealPage’s rent-setting recommendations, with a plurality located in Montgomery County (see table).⁴

In December, the White House’s Council of Economic Advisers found that coordinated rents from algorithmic pricing cost renters in algorithm-utilizing units an average of \$70 a month, or 4% of rent, in what its authors warned “is likely a lower bound on the true costs.” In the DC metro area, the average cost to renters is \$112 a month, fourth highest in the nation.⁵

This bill does not prevent the development or sale of software to help landlords manage their units generally or to set prices through the use of internal or public data. Nor does this bill regulate the amount of rent that a landlord may charge. This bill takes aim only at the use of algorithmic devices that analyze and share non-public, competitively sensitive data for the purpose of setting rental prices.

County	Properties
Montgomery	86
Baltimore County	36
Prince George's	34
Baltimore City	29
Howard	17
Charles	13
Frederick	5
Harford	5
Cecil, Carroll, Calvert, St Mary's, Dorchester, Wicomico	2 or fewer
Total	232

For the foregoing reasons, I respectfully request your favorable report on SB 609.

⁴ Washington Post: [Landlords are accused of colluding to raise rents. See where.](#)

⁵ White House Council of Economic Advisers: [The Cost of Anticompetitive Pricing Algorithms in Rental Housing](#)

SB0609 - Maryland Legal Aid - FAV.pdf

Uploaded by: Zafar Shah

Position: FAV



Senate Bill 609

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

Hearing in the Senate Judicial Proceedings Committee
On February 11, 2025

Position: FAVORABLE

Maryland Legal Aid submits its written and oral testimony on SB0609 at the request of Delegate Julie Palakovich Carr.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, the most prominent of which is housing. MLA Tenant Right to Counsel Project represented renters in over 4,600 eviction cases in 2024. Because we know that our clients face a tight rental market in which housing opportunities are continually out of reach, Maryland Legal Aid urges this Committee to report **favorably** on Senate Bill 609.

SB 609 would prohibit landlords' use of algorithmic software to collude on rent price-fixing. In 2023 price-fixing software gouged U.S. renters of \$3.8 billion, according to the Biden Administration, which deemed the estimate "the lower bound on the true cost."¹ The estimated cost to renters due to coordinated algorithmic price-fixing was \$112 per month.²

According to the Washington Post, "[i]n the region around D.C... about 24 percent of multifamily units are managed by companies alleged to have used RealPage's rent software."³ Maryland is currently "one of the most expensive states in the country for rental housing with statewide median rent of **\$1,900** a month."⁴ The fair market rent (40th percentile) for a two-

¹ The White House, The Cost of Anticompetitive Pricing Algorithms in Rental Housing, Dec. 17, 2024, <https://bidenwhitehouse.archives.gov/cea/written-materials/2024/12/17/the-cost-of-anticompetitive-pricing-algorithms-in-rental-housing>.

² *Id.*

³ Alyssa Fowers et al., "Landlords are accused of colluding to raise rents. See where." Washington Post, Jan. 8, 2025, <https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map>.

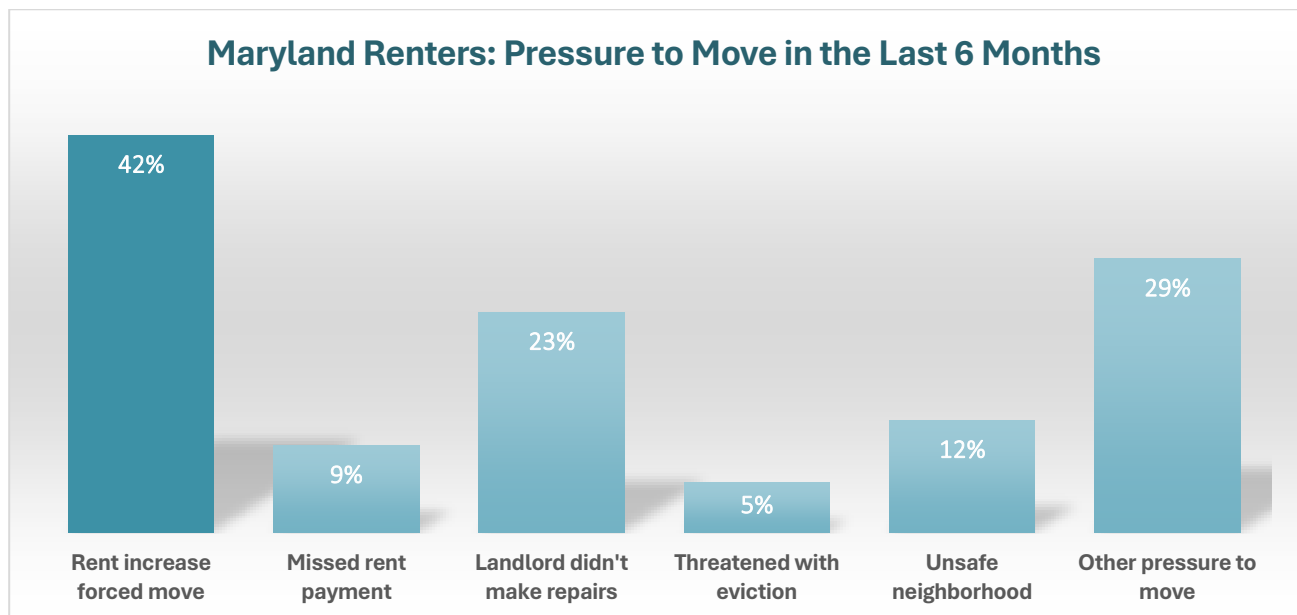
⁴ Aaron Weiner, "Md. bill would bar landlords from using algorithms to collude on rents," Washington Post, Jan. 28, 2025, <https://www.washingtonpost.com/dc-md-va/2025/01/28/algorithmic-software-lawsuit-maryland>.

bedroom apartment in central Maryland rose 45% between 2019 to 2024, with most of that price-jump occurring in from 2022 to 2024:

BALTIMORE-COLUMBIA-TOWSON Metro Statistical Area			
YEAR	FMR 2BR	YOY Increase	Increase from 2019
2020	\$ 1,376.00	3%	
2021	\$ 1,384.00	1%	
2022	\$ 1,395.00	1%	
2023	\$ 1,548.00	11%	
2024	\$ 1,943.00	26%	45%

Source: <https://www.rentdata.org/states/maryland/2025>

This rapid rise in rents, coinciding with the growth in use of RealPage’s “AI Revenue Management” software, has placed inordinate destabilizing pressure on Maryland households. According to the most recent U.S. Census Household Pulse Survey, among Maryland renters who felt pressure to move in the prior six months, the most-cited cause of that pressure was a rent increase:



Source: U.S. Census Bureau Household Pulse Survey, Phase 4.2 Cycle 09 (August 20 – September 16, 2024), available at <https://www.census.gov/data/tables/2024/demo/hhp/cycle09.html>.

While lobbyists for multi-family industry developers contend that the rising housing-cost burdens for Maryland’s renters stem from factors such as supply chain fluctuations, rising labor and insurance costs, and insufficient building construction, they have downplayed the impact of their industry’s active role in coordinating rent increases in the region. However, RealPage executives themselves attribute double-digit rent increases to their software, as revealed by *Pro Publica* reporting in 2022:

“Never before have we seen these numbers,” said Jay Parsons, a vice president of RealPage, as conventiongoers wandered by. Apartment rents had recently shot up by as much as 14.5%, he said in a video touting the company’s services. Turning to his colleague, Parsons asked: What role had the software played?

“I think it’s driving it, quite honestly,” answered Andrew Bowen, another RealPage executive. “As a property manager, very few of us would be willing to actually raise rents double digits within a single month by doing it manually.”

Source: “Rent Going Up? One Company’s Algorithm Could Be Why.” *Pro Publica*, Oct. 15, 2022.

Even while collusive rent increases have led to increased number of tenants leaving the properties of RealPage clients, the cost-benefit analysis has benefitted landlords. The CEO of one early adopter of RealPage software recounted that, despite having to replace more tenants, their company’s revenue grew by more than 7 percent.⁵ “The net effect of driving revenue and pushing people out was \$10 million in income. I think that shows keeping the heads in the beds above all else is not always the best strategy.”⁶

While Maryland policymakers, from the State House to local legislatures, are working on solutions to Maryland’s eviction epidemic and the worsening housing affordability crisis, price-fixing demonstrates that the multi-family industry has stayed one step ahead of renter protections. SB 609 introduces a new regulation necessitated by the state’s fear of rent stabilization policies, such as percentage-based increase caps. SB 609 is a tailored measure

⁵ Heather Vogell et al., “Rent Going Up? One Company’s Algorithm Could Be Why.” *Pro Publica*, Oct. 15, 2022, <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent>.

⁶ *Id.*

to prohibit landlords from using algorithmic tools that incorporate non-public competitor data to advise them on the amount of rent to charge a tenant.

Maryland renters deserve a fair rental market. For all these reasons, Maryland Legal Aid urges the Committee to report **FAVORABLE** on Senate Bill 609.

If you have any questions, please contact:

Zafar Shah, Advocacy Director for Human Right to Housing
zshah@mdlab.org | (443) 202-4478

SB 609_Consumer Protection Division_FavorableWAmen

Uploaded by: Kira Wilpone-Welborn

Position: FWA

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Chief, Equity, Policy, and Engagement



**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

KIRA WILPONE-WELBORN
Assistant Attorney General

February 7, 2025

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 609 – Residential Leases - Use of Algorithmic Device by Landlord to
Determine Rent - Prohibition (FAVORABLE WITH AMENDMENT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports Senate Bill 609 sponsored by Senators Sara Love and Katie Fry Hester. Senate Bill 609 prohibits landlords from utilizing algorithms built on private competitor data to set rents. Increasingly, landlords have resorted to using these algorithms at the detriment to competition and tenants’ pocketbooks. Although these practices likely already violate the Consumer Protection Act, Senate Bill 609 would specifically enumerate that using algorithms to set rents is an unfair, abusive, and deceptive practice as defined and enforced under the Consumer Protection Act.

The Division supports Senate Bill 609 reifying that the use of algorithms containing private competitor data is a violation of the Consumer Protection Act because it distorts the market and results in tenants paying more for rent. However, the Division recommends that the definition of “rent” at § 8-220(A)(4) be amended to conform to the definition of rent affirmed by the Maryland Supreme Court in *Westminster Mgmt., LLC v. Smith*, 486 Md. 616 (2024). Specifically, rent is “the fixed, periodic payments that a tenant pays the landlord to reside in the rental unit.” *Id.* at 651; *see also Lockett v. Blue Ocean Bristol, LLC*, 446 Md. 397, 425 (2016) (rent is “the periodic sum owed by the tenant for use or occupancy of the premises.”) Presently, the definition of rent proposed in the bill includes additional fees that are impermissible under *Westminster* and *Lockett* and could create doubt as to what rent is. As such, the Division recommends an amendment that conforms the definition of rent in the bill to *Westminster* and *Lockett*.

As such, the Division requests that the Judicial Proceedings Committee give Senate Bill 609 a favorable report with the proposed amendment.

cc: The Honorable Sara Love
The Honorable Katie Fry Hester
Members, Judicial Proceedings Committee

AOBA_SB609_UNF.pdf

Uploaded by: Brian Anleu

Position: UNF



Bill No: SB 609 - Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent - Prohibition

Committee: Judicial Proceedings

Date: February 11, 2025

Position: Unfavorable

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a non-profit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following testimony in opposition to Senate Bill 609.

SB 609 prohibits housing providers from using an "algorithmic device" to set rents. An algorithmic device is a device that uses or was trained on non-public competitor data to advise housing providers on the amount of rent that they should charge tenants. Non-public competitor data includes actual rent prices, occupancy rates, lease start/end dates, and other similar information that is not easily accessible to the public.

AOBA opposes this bill because algorithmic devices are an important revenue management tool that allow housing providers to keep up with rising operating expenses and increasing capital needs. According to a 2023 analysis by the National Apartment Association¹, Maryland landlords make an average return of 5% on rent, which is roughly half the historical rate of return of the stock market. Algorithmic devices allow housing providers to set rents that are more responsive to changing market conditions, which can and does include lowering rents when supply dictates it.

In fact, some of the markets with the highest reported use of algorithmic devices have seen also some of the highest amounts of rent decreases. Renters in Austin, TX, for example, saw rent decreases of 6% from 2023 to 2024², despite nearly half of the housing providers in the city reportedly using algorithmic

¹ NAA: Breaking Down a Dollar of Rent. The data is based on 2022 operating statements from rental properties with 5 or more units securing loans in Freddie Mac CMBS. Data is comprised of lender underwritten financials and appraised values and serialized operating statements extracted from agency multifamily CMBS offering circulars and trustee reports. <https://naahq.org/maryland-where-does-1-rent-go>

² <https://www.bizjournals.com/houston/news/2024/01/28/houston-apartment-rents-are-down-in-2023.html>

devices³. These decreases were primarily driven by increases in housing supply, which indicates that a lack of new housing construction, not the use of algorithmic devices, is to blame for rising rents.

Austin is not an outlier. A 2023 study from the University of Pennsylvania Wharton School examined the use of algorithmic pricing across the 50 largest metro areas. The study found that algorithmic pricing caused property managers to lower rents more rapidly than non-adopters of algorithmic pricing during economic downturns⁴.

Lastly, the use of non-public competitor data should not be prohibited because it helps create a more transparent market that benefits residents. Actual unit rents are typically set below online advertised rents because the actual rents include concessions given to the tenant (e.g., one-month free rent). By restricting an algorithmic device to the use of publicly advertised data, the algorithmic device will recommend higher rents than it otherwise would have.

Furthermore, competitor data is already required to be shared publicly in Montgomery and Prince George's Counties. Both counties have enacted strict rent stabilization laws that allow housing providers to "bank" the difference in rent between the actual rent increase and the maximum allowed amount⁵. To track banked rents, both counties require the landlords to disclose to the county the amount of actual rent charged for each rental unit. In Montgomery County's case, this data must be input into a public database in real time.

For these reasons, AOBA urges an unfavorable report on Senate Bill 609. For more information, please contact Brian Anleu at banleu@aoba-metro.org.

³ <https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/>

⁴ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4403058

⁵ For example, if the rent cap is 6% and the housing provider only gives a 3% rent increases, the remaining 3% could be used in a future year.

MBIA Letter of Opposition SB 609.pdf

Uploaded by: Lori Graf

Position: UNF

February 11, 2025

The Honorable William C. Smith Jr.
Chairman, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

RE – SB609 Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent - Prohibition

Dear Chair Smith:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent - Prohibition. MBIA **Opposes** the Act in its current version.

Senate Bill 609 (“SB 609”) prohibits a landlord from using certain algorithmic devices to determine the amount of rent to charge a residential tenant; making a violation of the Act an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act; and applying the Act prospectively.

MBIA urges an unfavorable report on SB 609, the proposal relies on a premise that housing providers, who pay for algorithm devices to utilize the nonpublic competitor data, for the purpose of justifying higher rent prices and creating an artificial inflation in rent prices as more and more housing providers use the device. These devices are no more than a “tool in the toolbox” that housing providers use when determining the price of a unit to go on market. It is a recommendation; not a final say or answer to the price of a unit that is made by housing provider staffers at the time of signing the lease. Housing providers use a variety of other tools, such as paid real estate market research from entities like “Co-Star” to help formulate prices.

The true benefit of having this “tool in the toolbox” is that housing providers are able to turnover vacant units more efficiently and effectively by coming up with appropriate pricing recommendations. What used to take weeks to accurately price units on the market can now be done in days, thanks to this added tool. According to members, turnover costs have skyrocketed and can range from thousands to tens of thousands of dollars. The housing provider can only recoup this cost once the unit is ready and able to be put back on the market. While the stated goal behind SB 609 is to curtail the utilization of “nonpublic competitor data” by housing providers with the assistance of algorithm devices such as those provided by RealPage.

It is also important to note that On January 15th, Maryland Attorney General Anthony Brown sued RealPage and a number of housing providers for allegedly “... collude[ing] Through RealPage’s Centralized Price-Setting Algorithms to Raise Rent Prices in Violation of the Maryland Antitrust Act. MBIA has no comment on the ongoing suit but it would be prudent for the general assembly to await the results of this litigation before tailoring public policy around the premise of a case that has yet to be decided.

For all these reasons, we would respectfully request an unfavorable report on SB 609.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee

MMHA - 2025 - SB609 - UNF.pdf

Uploaded by: Matthew Pipkin

Position: UNF



Senate Bill 609

Committee: Judicial Proceedings

Bill: Senate Bill 609: Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent - Prohibition

Date: 2/11/25

Position: Unfavorable

The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members house more than 538,000 residents of the State of Maryland. MMHA's membership consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities and more than 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 609 ("SB 609") prohibits a landlord from using certain algorithmic devices to determine the amount of rent to charge a residential tenant; making a violation of the Act an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act; and applying the Act prospectively.

MMHA urges an unfavorable report on SB 609 for the following reasons:

I. SB 609 is based on a false pretext.

SB 609 relies on a premise that housing providers, who pay for algorithm devices to utilize the nonpublic competitor data, for the purpose of justifying higher rent prices and creating an artificial inflation in rent prices as more and more housing providers use the device.

This is incorrect. These devices are no more than a "tool in the toolbox" that housing providers use when determining the price of a unit to go on market. **It is a recommendation; not a final say or answer to the price of a unit that is made by housing provider staffers at the time of signing the lease.** Housing providers use a variety of other tools, such as paid real estate market research from entities like "Co-Star" to help formulate prices. And once a price has been determined, the housing provider may try to lower or exceed that recommendation based on internal information or goals that they may have (for example: if a housing provider had high vacancies in a building, they may try to undercut the recommended price to get more tenants). This is why, according to RealPage, recommendations from that algorithm device are only accepted about 35% of the time by housing providers.

II. Limiting the nonpublic competitor data may stagnate or increase rent prices.

While MMHA will defer to specific algorithm devices on how their formulas are set, in general, we know that by limiting the data as intended, this may lead to outdated pricing being recommended to housing providers. As Maryland grapples with the housing crisis, concrete measures have been taken by the Maryland General Assembly and other municipalities to encourage growth and increase the supply of housing. Once the results of this come to fruition, the nonpublic competitor data may become the first to indicate a need for recommending lower rental prices based on its evaluation of executed leases. We know that this has happened in places like

Austin, TX. By limiting ourselves on this data, rental prices may continue to stagnate for an extended period and burden the Maryland consumer.

Additionally, as the nonpublic competitor data utilizes the executed leases, and not the “sticker” prices of apartments that can be found on the public site, **algorithm devices using nonpublic competitor data tends to recommend lower figures that of algorithm devices using only publicly available data.** Therefore, by pursuing SB 609, the state may de facto encourage higher rental prices due to the higher price recommendations.

III. Scope of the legislation.

While the stated goal behind SB 609 is to curtail the utilization of “nonpublic competitor data” by housing providers with the assistance of algorithm devices such as those provided by RealPage, MMHA is concerned that this legislation as written goes far beyond this intent. Specifically, the concern is with 8-220 (B) lines 20-25 on page 3:

IN SETTING THE AMOUNT OF RENT TO BE CHARGED FOR THE LEASE OF RESIDENTIAL PROPERTY, INCLUDING DETERMINING ANY CHANGE IN RENT TO BE CHARGED FOR THE RENEWAL OF A LEASE, A **LANDLORD MAY NOT EMPLOY, USE, OR RELY ON, OR CAUSE ANOTHER TO EMPLOY, USE, OR RELY ON, AN ALGORITHMIC DEVICE THAT USES, INCORPORATES, OR WAS TRAINED WITH NONPUBLIC COMPETITOR DATA.**

Based on that definition, if you were to use real estate market data (for example: Co-Star) and input the data into a Microsoft excel spreadsheet, you may have just broken the law under SB609.

IV. On-going litigation.

On January 15th, Maryland Attorney General Anthony Brown sued RealPage and a number of housing providers for allegedly “... collude[ing] Through RealPage’s Centralized Price-Setting Algorithms to Raise Rent Prices in Violation of the Maryland Antitrust Act.”¹. While MMHA has no comment on the pending litigation, it is worth noting that the conclusion of the litigation would have major implications on the premise of this legislation. It would be prudent for the Maryland General Assembly to await the results of this litigation before tailoring public policy around the premise of a case that has yet to be decided.

For all these reasons, MMHA would respectfully request an **unfavorable report** on SB 601.

Please contact Matthew Pipkin, Jr. at (443) 995-4342 or mpipkin@mmhaonline.org with any questions.

¹Maryland Office of the Attorney General. (2025, January 15). *Attorney General Brown sues RealPage and residential landlords for illegally raising rent for thousands of Maryland residents through price-fixing scheme.* <https://www.marylandattorneygeneral.gov/press/2025/011525a.pdf>

SB 609_realtors_unf.pdf

Uploaded by: William Castelli

Position: UNF



Senate Bill 609 – Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent -- Prohibition

Position: Unfavorable

Maryland REALTORS® oppose SB 609 which prohibits the use of “algorithmic devices” in the setting of housing rents. While the REALTORS® support open markets and oppose price fixing, the REALTORS® are concerned over the legislation’s prohibition and limitation on the use of market information to assist landlords in setting fair rental prices and tenants seeking fair rental prices. REALTORS® represent both landlords and tenants.

Many of the landlords that REALTORS® work with are property owners of single-family rentals who are not experienced in renting property and need advice about how to fairly price their property. Additionally, REALTORS® sometime help tenants seeking single family properties to rent. The Maryland REALTORS® are concerned that the language in SB 609 is vague and could capture information used by both landlords and prospective tenants.

As an example, SB 609 states that an algorithmic device INCLUDES data concerning local or statewide rent amounts. However, the term “INCLUDES” is not limiting. As a result, the REALTORS® are concerned that common information about property values on private networks like the Multiple Listing Service (MLS) could be captured by the bill as well as a comparative market analysis (CMA) provided by the MLS. This information can sometimes be used by real estate agents who are advising a property owner about how much to charge for property rent. This information is “NONPUBLIC” information and may be captured by the open definition of “NONPUBLIC COMPETITOR DATA.”

Moreover, the information on the MLS is not the only information that is used to set a fair rental rate. MLS data usually provides a range of value and is often only one factor in an owner’s ultimate rate making decision. While similar properties may share common elements like number of rooms, square footage, they all are unique in the condition and location of the property which are extremely important factors in determining rent.

Market data has always been used to provide guidance to the ultimate decision maker – the property owner or tenant – in determining fair market value for rental homes. Prohibiting aggregation of important information makes it more likely, rather than less likely, that properties will not be fairly priced. For these reasons, the REALTORS® recommend an unfavorable report.

For more information contact lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org