

February 19th, 2026

The Honorable Kriselda Valderrama
Chair, House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition HB 434 - Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent, Occupancy, and Lease Terms - Prohibition

Dear Chair Valderrama,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding HB 434. The proposal would prohibit landlords from using certain algorithmic devices to determine rent amounts, occupancy levels, and lease terms for residential dwelling units and making violations subject to enforcement under the Maryland Consumer Protection Act.

We share the goal of promoting fairness and transparency in the rental housing market. However, as drafted, this legislation is overly broad and creates significant legal and practical concerns that could ultimately harm housing affordability and supply. The bill does not clearly define what constitutes an “algorithmic device,” leaving uncertainty as to whether it would apply only to third-party pricing platforms or to ordinary property management software used to analyze market conditions, track vacancies, and manage lease expirations. In today’s housing market, nearly all property owners—large and small—rely on some form of digital tools to evaluate data. Without a narrowly tailored definition, the bill risks sweeping in routine business practices that are not anti-competitive in nature.

The enforcement mechanism further raises concerns. By making a violation subject to the Maryland Consumer Protection Act, the bill substantially increases litigation exposure for housing providers. Alleged violations could trigger investigations, civil penalties, private lawsuits, attorneys’ fees, and potentially enhanced damages. Given the ambiguity surrounding what software use would be prohibited, landlords could face significant liability without clear guidance on how to comply.

Maryland is already facing serious housing affordability challenges and a constrained housing supply. Policies that introduce additional regulatory uncertainty or expand liability exposure may discourage multifamily development and reinvestment in existing properties. When operational risks increase, capital becomes more cautious. Over time, that hesitation can translate into fewer new units, delayed redevelopment, and reduced housing availability.

While we share the goal of ensuring fair and competitive housing markets, this bill is overly broad, difficult to administer, and risks unintended consequences for housing supply and affordability.

For these reasons, we respectfully urge an unfavorable report. While the concerns motivating this legislation merit discussion, the bill as drafted is overly broad, legally ambiguous, and likely to create unintended consequences in an already strained housing market.

Thank you for your consideration. Please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Economic Matters Committee