



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 434

DATE: February 19, 2026

SPONSOR: Delegates Palakovich Carr and Stewart

ASSIGNED TO: Economic Matters

CONTACT PERSON: Leslie Frey

(leslie.frey@montgomerycountymd.gov)

POSITION: FAVORABLE WITH AMENDMENT (Department of Housing and Community Affairs)

Residential Leases - Use of Algorithmic Device by Landlord to Determine Rent, Occupancy, and Lease Terms – Prohibition

House Bill 434 prohibits landlords from using “algorithmic devices” trained on nonpublic competitor data to determine rents, lease renewal terms, occupancy levels, or other terms and conditions. Under the bill, algorithmic devices are defined as devices that use one or more algorithms to perform calculations of data, including data concerning local or statewide rent amounts being charged to tenants by landlords. It excludes: periodic reports published not more than once per month by a trade association that receives renter data and publishes it in an anonymized, aggregated format; products used to establish rents in accordance with affordable housing program guidelines; and information collected by and shared among wholly owned subsidiaries.

House Bill 434 addresses the increased prevalence of rent advisory services that are being used nationally and regionally, using rent-level reports from multiple property managers to recommend property-specific rent levels to clients. Property managers with knowledge of competitors' rent levels and other operating data can set rents effectively and collusively to the disadvantage of prospective clients. Such practices have been the subject of legislation in other jurisdictions to various degrees, including New York, California, San Francisco, Philadelphia, Minneapolis, Providence, Seattle, San Diego, and others. Maryland Attorney General Anthony Brown sued a provider of such information, RealPage, in 2025, accusing the company and six landlords of colluding to raise rents.

Montgomery County has a tight rental market, and landlords using algorithms, particularly with nonpublic competitor information, can increase rents strategically on a scarce commodity. Rents raised above what would otherwise be expected in a fully competitive market could harm residents and economic competitiveness. A Washington Post analysis¹ in 2025 found that 232 properties in Maryland were, at the time, relying on RealPage data to set rents, including 86 in Montgomery County. A December 2024 White House Council of Economic Advisers report² identified the costs to renters of algorithm software as \$70/month nationally and \$112/month in the Washington, DC area, the fourth-highest cost among the metro areas analyzed.

Montgomery County Department of Housing and Community Affairs supports House Bill 434 and respectfully suggests the following amendments to bring the bill in line with legislation currently proposed in Montgomery County and enhance the protections offered by the bill: expand the definition of algorithmic device, including training on public data; add a definition of price coordination and ban the practice; add a definition of fees and prohibit using an algorithmic device or price coordination to set fees; and prohibit subscribing to or paying for an algorithmic device or price coordination services with respect to the rent, fees, or any other rental term for a rental unit.

With these proposed amendments, Montgomery County Department of Housing and Community Affairs respectfully requests a favorable committee report.

¹ <https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/>

² <https://bidenwhitehouse.archives.gov/cea/written-materials/2024/12/17/the-cost-of-anticompetitive-pricing-algorithms-in-rental-housing/>