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Testimony in Support of HB 434
Residential Leases – Use of Algorithmic Device by Landlord to Determine Rent
– Prohibition

This legislation would crack down on technology that enables landlords to illegally collude to raise rents. HB 434 would ban the use of rent price-fixing software that is based on non-public competitor data. This bill is needed to halt a practice that has resulted in Maryland tenants needlessly paying millions of dollars more in rent just to fuel corporate profits.

Landlords have multiple sources of information that help inform them to set their rents, including their own internal data on rents and occupancy rates, data from rental listings on MLS or public websites like Apartments.com and Zillow, and specialty services that provide rental market analyses based on publicly available data. These are all legal ways for landlords to conduct research that helps them run their business.

Other types of information sharing are prohibited under state and federal antitrust laws to prevent price-fixing. For instance, it would be illegal for two landlords who are competitors to collude on future rent prices or vacancy rates. It's illegal if the landlords meet in person to discuss future rents or if they call, email, or text about it. It's also illegal if the landlords don't directly communicate about their future rents, but instead share the information with a third person who reports back to each landlord about their competitor's plans.

Landlords have seemingly found a loophole in antitrust laws using sophisticated software. This specialized software collects proprietary data from competing rental property owners across a market. The technology uses artificial intelligence to analyze the data to recommend rental pricing for each unit for each landlord. The recommendation is not just based on the landlord's own data, but also all of their competitor's proprietary data.

The ability to coordinate pricing across what would otherwise be independent competitors is anticompetitive and anti-consumer. The U.S. Department of Justice has stated such software presents a new frontier in price-fixing that "...poses an even greater anticompetitive threat than the last."¹ Numerous 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. Lawsuits have been brought by the U.S. Department of Justice, 10 state attorneys general, and at least 20 private class action lawsuits brought by renters.

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. The AG's underlying investigation revealed that the technology is used to set rents for more than 100,000 apartments across the state.² According to the filing, this leaves many Maryland residents with no choice but to pay inflated rents, worsening the state's ongoing affordable housing crisis.

While many of the cases are still pending in court, to date more than \$150 million in settlements have been reached against RealPage and several landlords. The federal settlement with RealPage in November 2025 included an agreement that the company would change many of its business practices.

Of particular concern is RealPage's unparalleled access to proprietary data. Its Revenue Management product uses non-public, competitively sensitive data, such as 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.

Use of RealPage is growing. A 2025 analysis by *The Washington Post* revealed that 232 properties in Maryland rely on RealPage's rent-setting recommendations, with most located in Montgomery County (86), Baltimore County (36), Prince George's County (34), Baltimore City (29), and Howard County (17).³

¹ [Statement of Interest of the United States: In Re: RealPage, Rental Software Antitrust Litigation \(No. II\)](#)

² [Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Residents](#)

³ Washington Post: [Landlords are accused of colluding to raise rents. See where.](#)

Use of this software has pushed rents higher nationwide, including in Maryland, and caused some rental units to sit vacant purely to increase landlord profits. An analysis by the White House’s Council of Economic Advisers in late 2024 found that coordinated rents from algorithmic pricing cost renters in algorithm-utilizing units an average of \$70 a month, or 4% of rent. The authors warned this “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.⁴

This bill prohibits the use of this sophisticated technology for the purpose of setting rents for residential dwelling units in Maryland. HB 434 would help address our state’s housing affordability crisis by preventing arbitrary rent increases and the emerging practice of holding rental units vacant to increase demand. It would also level the playing field for landlords who adhere to fair market standards.

New York and California have enacted similar laws, as have the cities of Philadelphia, Jersey City, San Francisco, and Seattle.

This bill does not prevent the development or sale of software to help landlords manage their units or to set prices through the use of the company’s own data 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 software technology that analyzes and shares non-public, competitively sensitive data for the purpose of setting rental prices, lease renewals terms, ideal occupancy levels, or other lease terms and conditions.

Maryland’s renters urgently need legislative protections against the use of anti-competitive rent-setting technology. The court settlements reached to date do not cover every landlord or software vendor. HB 434 will close the loophole that some bad actors are exploiting.

⁴ White House Council of Economic Advisers: [The Cost of Anticompetitive Pricing Algorithms in Rental Housing](#)