
TESTIMONY IN SUPPORT OF HB 434

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

Economic Matters Committee

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Social Work Advocates for Social Change strongly supports HB 434, which will prohibit landlords from using software that specializes in price-fixing to set rental prices and shape leasing agreements. In Maryland, increases in rent far outpace increases in wages. **The use of price-fixing software in the rental housing market only worsens Maryland's severe housing affordability crisis.**

Rental housing costs are increasingly out of reach for many Marylanders. The entire United States has been embroiled in a housing affordability crisis since the 1990s,¹ and Maryland has been hit especially hard. One-third of households in Marylanders are renter-occupied.² Meanwhile, the growth of rent prices continues to outpace the growth in household income. This especially hurts low-income renters, for whom Maryland is the eighth least-affordable state in the Union.³ Despite this, companies like RealPage use software to drive up prices and maximize profits.

The Federal Department of Justice (DOJ) settled a lawsuit against RealPage last November, forcing the company to stop enabling collusion between landlords when setting leasing terms – a case of classic price-fixing.⁴ Still, this was only a change to RealPage's procedures. The DOJ continues to pursue actions against other bad actors,⁵ making this an ongoing battle. **Prohibiting the use of software that enables collusion and price-fixing as soon as possible will help protect Maryland renters.**

The affordability crisis in rental housing and increase in housing insecurity and homelessness have significant costs. Tenants have been forced to work their fingers to the bones to stay housed, giving up more and more autonomy to meet their basic needs: a fulltime minimum wage worker in Maryland would have to work 89 hours a week to be able to afford a one-bedroom unit at Fair Market Rent.⁶ According to an NIH study, housing instability is associated with higher risk of heart disease, diabetes, and hypertension.⁷ Children going through housing instability have more hospital visits and are more likely to develop depression and substance abuse disorders.⁸

Similar legislation has been proposed and passed elsewhere to ban the use of price-fixing legislation as communities across the country recognize and seek to address the forces that drive the increasing prevalence of unaffordable housing.⁹ Last year, California and New York both enacted statewide bans on the kind of software offered by RealPage while Philadelphia, San Francisco, Minneapolis, Jersey City, and many other cities have done the same at a local level over the past few years.^{10, 11}

Maryland faces an affordable housing crisis and the existence of price-fixing software could make that even worse. **Social Work Advocates for Social Change urges a favorable report on HB 434.**



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Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

¹The Rental Crisis Will Not Be Televised: The Case for Protecting Tenants Under Consumer Protection Regimes, *University of Michigan Journal of Law Reform*. Available at: <https://repository.law.umich.edu/mjlr/vol54/iss3/4/>

²Maryland Housing Needs Assessment Update, *Maryland Department of Housing and Community Development*. Available at: <https://news.maryland.gov/dhcd/2025/07/24/state-of-maryland-releases-2025-housing-needs-assessment/>

³Maryland continues to pose affordability challenges for low-income renters, report finds, *Maryland Matters*. Available at: <https://marylandmatters.org/2025/08/12/maryland-continues-to-pose-affordability-challenges-for-low-income-renters-report-finds/>

⁴Justice Department Requires RealPage to End the Sharing of Competitively Sensitive Information and Alignment of Pricing Among Competitors, *U.S. Department of Justice*, Available at: <https://www.justice.gov/opa/pr/justice-department-requires-realpage-end-sharing-competitively-sensitive-information-and>

⁵Affordable Housing Benefits Our Mental Health, *Habitat for Humanity*, Available at: <https://www.habitatskc.org/affordable-housing-benefits-our-mental-health/>

⁶National Low Income Housing Coalition (n.d.) Out of Reach 2025 – Maryland. Available at <https://nlihc.org/oor/state/md>

⁷Housing instability and cardiometabolic health in the United States: a narrative review of the literature, *National Library of Medicine*, Available at: <https://pmc.ncbi.nlm.nih.gov/articles/PMC10203673/#Sec16>

⁸Affordable Housing Benefits Our Mental Health, *Habitat for Humanity*, Available at: <https://www.habitatskc.org/affordable-housing-benefits-our-mental-health/>

⁹Landlords Are Using AI To Raise Rents — and Cities Are Starting To Push Back, *The Markup*, Available at: <https://themarkup.org/locked-out/2024/12/02/landlords-are-using-ai-to-raise-rents-and-cities-are-starting-to-push-back>

¹⁰California Governor Signs AB 325 to Stop Algorithmic Price Collusion, *Economic Security Project*, Available at: <https://economicsecurityproject.org/news/california-governor-signs-ab-325-to-stop-algorithmic-price-collusion>

¹¹How Cities Are Regulating AI-Driven Rent Pricing: 2026 Compliance Update, *Stateside*, Available at: <https://www.stateside.com/blog/regulating-ai-rent-pricing>