



Testimony of the Mayor and Council of Rockville
HB 434 – Residential Leases – Use of Algorithmic Device by Landlord to
Determine Rent, Occupancy, and Lease Terms – Prohibition
SUPPORT

Thank you to Chair Valderrama and members of the House Economic Matters Committee. I am Rockville City Councilmember Barry Jackson, and I thank you for the opportunity to testify in support of HB 434, which would prohibit a landlord from using certain algorithmic software that leverages non-public competitor data to set residential rents and other lease terms. We thank Delegates Palakovich Carr and Stewart for sponsoring this important and timely legislation.

The U.S. Department of Justice, together with the Attorney Generals 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 were 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 that 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. Further, as part of the process to update the City’s Code (Chapter 18) relating to rental facilities and landlord/tenant affairs, City staff recommended that the Mayor and Council take action to ban algorithmic pricing in the City.

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 HB 434 with a favorable report. Thank you.