Montgomery County Council

Committee: PHP
Committee Review: At a future date
Staff: Christine Wellons, Chief Legislative Attorney
Purpose: To receive testimony – no vote expected

AGENDA ITEM #13
March 10, 2026
Public Hearing

SUBJECT

Bill 8-26, Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms

Lead sponsor: Councilmember Jawando

Co-Sponsors: Councilmembers Evans and Mink

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

Bill 8-26 would:

(1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
(2) prohibit price coordination regarding rents or rental terms in the County;
(3) provide for the enforcement of the prohibitions; and
(4) generally amend the law regarding landlord-tenant relations.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

Staff Report	Pages 1-3
Bill 8-26	© 1
Lead Sponsor's Memorandum	© 5
Climate Assessment	© 6
Racial Equity and Social Justice Impact Statement	© 11

*The Fiscal Impact Statement was not available from the Office of Management and Budget at publication of this staff report.

*The Economic Impact Statement was not available at the time of publication of this staff report. It can be found at the below address when available: Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight- Montgomery County, Maryland (montgomerycountymd.gov)

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Agenda Item #13
March 10, 2026
Public Hearing

M E M O R A N D U M

March 5, 2026

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Bill 8-26, Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms

PURPOSE: Public hearing – receive testimony

Bill 8-26, Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms, is scheduled for introduction on February 10, 2026. The Lead Sponsor is Councilmember Jawando. The Co-Sponsors are Councilmembers Evans and Mink. A public hearing is tentatively scheduled for March 10 at 1:30 p.m. The bill will be considered by the Planning, Housing, and Parks (PHP) Committee.

Bill 8-26 would:

(1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
(2) prohibit price coordination regarding rents or rental terms in the County;
(3) provide for the enforcement of the prohibitions; and
(4) generally amend the law regarding landlord-tenant relations.

BACKGROUND

As explained by Councilmember Jawando in a memorandum to colleagues: "This legislation is about promoting free markets in the rental housing market and cracking down on illegal price-fixing and collusion that results in higher rents for our residents. Specifically, the bill would prohibit the use of algorithmic devices to establish rents or rental terms in the County; prohibit price coordination regarding rents or rental terms in the County; provide for the enforcement of the prohibitions; and generally amend the law regarding landlord-tenant relations.

"As you may know, in the past few years, there has been significant litigation regarding this issue at the national and state levels. The United States Department of Justice is settling its landmark litigation against RealPage regarding these issues. In 2025, in Maryland, as you may be aware, Maryland Attorney General Anthony Brown sued RealPage and residential landlords for illegally

raising the rent on thousands of Maryland residents. And, at the state level, Delegates Palakovich Carr and Stewart have introduced similar legislation…." (internal citations omitted).

BILL SPECIFICS

Bill 8-26 would amend Chapter 29 {Landlord-Tenant Relations} to define and prohibit using or subscribing to "algorithmic devices," or engaging in "price coordination," when setting rents, occupancy levels, or other rental terms in the County.

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;
(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:
    (A) 2 or more landlords;
    (B) public databases; or
    (C) a combination of public databases and 2 or more landlords; and
(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and
(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

The following activities would be exempt from the bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;
(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or
(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Each instance of violating the terms of the bill, and each day of a violation, would be a separate Class A violation. The bill would be subject to the general enforcement mechanisms under Chapter 29.

This packet contains:	Circle #
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*The Fiscal Impact Statement was not available from the Office of Management and Budget at publication of this staff report.

*The Economic Impact Statement was not available at the time of publication of this staff report. It can be found at the below address when available: Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight- Montgomery County, Maryland (montgomerycountymd.gov)

Bill No. 8-26
Concerning: Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms
Revised: 2/10/2026 Draft No. 2
Introduced: February 10, 2026
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Jawando
Co-Sponsors: Councilmembers Evans and Mink

AN ACT to:

(1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
(2) prohibit price coordination regarding rents or rental terms in the County;
(3) provide for the enforcement of the prohibitions; and
(4) generally amend the law regarding landlord-tenant relations.

By adding
Chapter 29, Landlord-Tenant Relations
Section 29-53A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 29-53A is added as follows:

29-53A. Price coordination and algorithmic devices – prohibited.

(a) *Definitions*. For purposes of this Section, the following terms have the meanings indicated.

Algorithmic device means a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

(A) 2 or more landlords;

(B) public databases; or

(C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

Algorithmic device does not include:

(1) a periodic report, published not more than once a month, that publishes existing rental data in an aggregated and anonymous manner without recommending rental prices, fees, rental terms, or occupancy levels for future leases;

(2) a product or service used for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) a product or service used by a natural person who is the landlord of only one rental unit in the County.

Price coordination means:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Price coordination does not include:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

(b) *Prohibition*. A landlord must not:

(1) use an algorithmic device regarding the rent, fees, or any other rental term for a rental unit within the County;

(2) engage in price coordination regarding the rent, fees, or any other rental term for a rental unit within the County;

(3) agree with any other person not to compete with respect to the rent, fees, or any other rental term for a rental unit within the County; or

(4) subscribe to or pay for an algorithmic device or price coordination services with respect to the rent, fees, or any other rental term for a rental unit within the County.

(c) *Penalties and enforcement*.

(1) Each violation of subsection (b) is a Class A violation.

(2) Each day that a violation of subsection (b) exists or continues constitutes a separate Class A violation.

(3) The requirements of this Section are enforceable under Section 29-8 {Enforcement procedure} and Article V {Complaints} of this Chapter.

Montgomery County Council

M E M O R A N D U M

February 2, 2026

TO: Montgomery County Councilmembers
FROM: Will Jawando, Councilmember At-Large
SUBJECT: The Anti-Algorithmic Price Fixing Act

I am writing to share with you information regarding The Anti-Algorithmic Price Fixing Act, which I will introduce at next week's Council session (Feb. 10, 2026). I welcome co-sponsors.

This legislation is about promoting free markets in the rental housing market and cracking down on illegal price-fixing and collusion that results in higher rents for our residents. Specifically, the bill would prohibit the use of algorithmic devices to establish rents or rental terms in the County; prohibit price coordination regarding rents or rental terms in the County; provide for the enforcement of the prohibitions; and generally amend the law regarding landlord-tenant relations.

As you may know, in the past few years, there has been significant litigation regarding this issue at the national and state level. The United States Department of Justice is settling its landmark litigation against RealPage regarding these issues.[1] In 2025, in Maryland, as you may be aware, Maryland Attorney General Anthony Brown sued RealPage and residential landlords for illegally raising the rent on thousands of Maryland residents.[2] And, at the state level, Delegates Palakovich Carr and Stewart have introduced similar legislation.[3] In a related vein, Governor Wes Moore has announced legislation to target dynamic pricing for groceries.[4]

While I hope that the state legislature will be successful in passing similar legislation this session, there is no time to waste. Legislatures all over the country are working to address these issues, and I hope Montgomery County (and eventually Maryland) will be part of the solution and help lead the way here in promoting freer markets and protecting our residents from price-fixing. The Office of the County Attorney has reviewed the bill and identified no legal hurdles. Please let Christine and Marisa know if you would like to co-sponsor this important bill.

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[1] https://www.justice.gov/opa/pr/justice-department-requires-realpage-end-sharing-competitively-sensitive-information-and
[2] https://oag.maryland.gov/News/Pages/Attorney-General-Brown-Sues-RealPage-and-Residential-Landlords-for-Illegally-Raising-Rent-for-Thousands-of-Maryland-Residen.aspx
[3] https://mgaleg.maryland.gov/2026rs/bills_noln/hb/fhb0434.pdf
[4] https://governor.maryland.gov/news/press/pages/Governor-Moore-Announces-Legislation-to-Protect-Marylanders%E2%80%99-Pocketbooks,-Data-Privacy-at-the-Grocery-Store.aspx

Climate Assessment

Office of Legislative Oversight

BILL 8-26: LANDLORD–TENANT RELATIONS – PROHIBITION AGAINST PRICE COORDINATION AND RENT-SETTING ALGORITHMS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 8-26 will have no impact on the County's contribution to climate change. While the affordability of a community's housing stock has a direct correlation to the overall resilience of a community, and on its ability to prepare for current and future risks, it is unclear if and how algorithmic devices have impacted affordable housing stock in the County.

BACKGROUND AND PURPOSE OF BILL 8-26

In recent years, federal and state lawsuits have been filed against companies using algorithms[1] to facilitate coordination among landlords to set rent prices and occupancy levels. In 2025, Maryland's Attorney General sued RealPage and six of the largest residential landlords in the state for illegally raising the rent for hundreds of thousands of Maryland tenants.[1] In January 2026, Maryland state delegates introduced legislation to prohibit the use of devices that rely on nonpublic data to set rent, occupancy levels, and lease terms.[2]

According to its lead sponsor, the purpose of Bill 8-26 is to promote free markets in rental housing by "cracking down on illegal price-fixing and collusion that results in higher rents."[3] If enacted, the Bill would:[4]

1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
2) prohibit price coordination regarding rents or rental terms in the County; and
3) provide for the enforcement of the prohibitions.

Each day a landlord breaks the law under this Bill counts as a separate Class A offense, with fines starting at $500 and increasing to $750 per repeat violation. The County can issue orders requiring landlord action or a court appearance to force compliance.[5]

Figure 1 in the Appendix includes the definitions of an algorithmic device and price coordination under Bill 8-26. Figure 2 lists the rental data collection activities that would still be allowed under the Bill.

The Council introduced Bill 8-26 on February 10, 2026.

[1] "An algorithm is a set of steps for accomplishing a task or solving a problem. Algorithms are a key component of any computer program and are the driving force behind various systems and applications, such as navigation systems, search engines, and music streaming services." What Is an Algorithm? | Definition & Examples, Scribbr.

ANTICIPATED IMPACTS

The affordability of a community's housing stock has a direct correlation to the overall resilience of a community, and on its ability to prepare for current and future risks.[6]

Affordable housing can improve community resilience through two ways: increasing housing stability and alleviating cost-burdened households. Housing stability can increase community resilience through enhancing social cohesion by building community ties and enabling residents to stay better connected during emergencies.[7]

Cost-burdened households, which are households that spend over 30% of income on housing, generally have less cash on hand to weather shocks, such as extreme weather events, compared to households that are not cost burdened. Many cost-burdened households are renters and census data released in 2024 show nearly half (49.2%) of renter households in the United States are cost-burdened.[8] In Montgomery County, 47% of renters are cost burdened and the County's median monthly gross rent of $2,097 is 22% higher than Maryland's median ($1,721).[9]

Algorithmic devices, such as RealPage and YieldStar, have been used across the country to set rents using proprietary data from other landlords, which has resulted in inflated rents according to various reports.[10] However, the effects of algorithmic price fixing on rent prices cannot be determined in Montgomery County. According to staff from the Department of Housing and Community Affairs (DHCA), there has not been a complaint or report related to landlords using rent-setting algorithms.[11] It is unclear how algorithmic devices have been used to establish rents in the County and how it would affect affordable housing stock.[12]

As it is unclear if and how algorithmic devices have impacted affordable housing stock in the County and if it has caused more households to be cost-burdened, OLO anticipates Bill 8-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[13] OLO does not offer recommendations or amendments as Bill 8-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

APPENDIX

Figure 1: Definition of an Algorithmic Device and Price Coordination

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

  (A) 2 or more landlords;

  (B) public databases; or

  (C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Figure 2: Rental Data Collection Activities Allowed Under Bill 8-26

The following activities would be exempt from the bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

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[1] Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Resident, Press Release from the Office of the Attorney General of Maryland.
[2] 2026 Regular Session - House Bill 434, Introduced January 22, 2026.
[3] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
[4] Ibid.
[5] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
Montgomery County Code, Sec. 1-19. Fines and penalties.
[6] Alliance for National and Community Resilience, The Community Resilience Benchmarks, 2019.; National Low Income Housing Coalition, Disaster Housing Recovery, Research and Resilience, Accessed 2/24/2026.

[7] Georgetown Climate Center, Equitable Adaptation Legal and Policy Toolkit, Accessed 2/24/2026.; Alliance for National and Community Resilience, The Community Resilience Benchmarks, 2019.
[8] United States Census Bureau, Nearly Half of Renter Households Are Cost-Burdened, Proportions Differ by Race, September 12, 2024.
[9] Montgomery Planning, Findings from the 2024 American Community Survey: Montgomery County, Maryland, and the United States, September 19, 2025.
[10] American Economic Liberties Project, A New Culprit in the Housing Crisis: Rent-Setting Software Algorithms, March 13, 2024.; Propublica, Rent Going Up? One Company's Algorithm Could Be Why, October 15, 2022.; NPR, New limits for rent algorithm that prosecutors say let landlords drive up prices, November 25, 2025.
[11] DHCA Staff
[12] Ibid.
[13] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

Bill 8-26: Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms

Summary

The Office of Legislative Oversight (OLO) finds the anticipated RESJ impact of Bill 8-26 is indeterminant. Several factors related to how the law would be enforced are unknown. As such, OLO is unable to determine how the ban on price coordination and rent-setting algorithms will impact racial and social inequities in housing.

Purpose of RESJ Impact Statements

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.[1] This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.[2]

Purpose of Bill 8-26

In recent years, the U.S. Department of Justice and several states have sued companies using algorithms[i] for price-fixing among landlords. In 2025, Maryland's Attorney General sued RealPage and six major residential landlords for illegally raising rents on hundreds of thousands of tenants.[3] In January 2026, Maryland state delegates introduced a law to ban devices that use nonpublic data to set rent, occupancy levels, and lease terms.[4]

According to its lead sponsor, the purpose of Bill 8-26 is to promote free markets in rental housing by "cracking down on illegal price-fixing and collusion that results in higher rents."[5] If enacted, the Bill would:[6]

1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
2) prohibit price coordination regarding rents or rental terms in the County; and
3) provide for the enforcement of the prohibitions.

Each day a landlord breaks the law under this Bill would count as a separate Class A offense, with fines starting at $500 and increasing to $750 per repeat violation. The County could issue orders requiring landlord action or a court appearance to force compliance.[7]

Figure 1 in the Appendix includes the definitions of an algorithmic device and price coordination under Bill 8-26. Figure 2 lists the rental data collection activities that would still be allowed under the Bill.

The Council introduced Bill 8-26 on February 10, 2026.

[i] "An algorithm is a set of steps for accomplishing a task or solving a problem. Algorithms are a key component of any computer program and are the driving force behind various systems and applications, such as navigation systems, search engines, and music streaming services." What Is an Algorithm? | Definition & Examples, Scribbr.

This RESJIS builds on the following impact statements authored by OLO:

- RESJIS for Bill 15-23: Landlord-Tenant Relations – Anti-Rent Gouging Protections, published in March 2023; and
- RESJIS for Bill 31-25: Landlord Notice Requirements – Evictions, published in October 2025.

Please refer to these two statements to understand why racial and ethnic differences in housing security and evictions are not natural or random. The statements explain how government actions have played a major role in creating and keeping unfair access to housing by race and ethnicity.

Housing Insecurity, Corporate Ownership, and Racial Equity

Due to various racial inequities in housing and economic security—including housing discrimination, residential and occupational segregation, and the racial wealth divide[8]—Black people across the U.S. are disproportionately impacted by evictions. A 2023 Eviction Lab study found Black renters accounted for over half of eviction filings despite comprising only 19 percent of all renters nationwide.[9]

In the County, evictions are not tracked by race and ethnicity. However, other indicators of eviction risk suggest Black community members are most impacted by housing insecurity and eviction. For instance:

- A 2023 Council Summer Fellows Program analysis found Black community members were overrepresented among renters in areas where evictions occur the most in the County;[10]
- While Black community members account for 18 percent of the County's population, they accounted for 45 percent of renters who applied for COVID-19 emergency rental assistance from 2022 until 2023;[11]
- Latinx and Black households are more likely than White and Asian households to experience a housing cost burden, spending more than 30 percent of their household income on mortgage or rent (Appendix Table A); and
- On the night of the 2025 Annual Point-in-Time (PIT) count of persons experiencing homelessness, 56 percent of individual adults identified as Black, a disproportionately high share compared to the 18 percent of County residents who are Black.[12]

Since the 2008 financial crisis, more corporations have bought single-family homes to rent out. This has led to higher rents for these homes, making it tougher for lower-income and BIPOC families to find affordable housing. A 2024 paper from the Federal Reserve Bank of Philadelphia shows that:

1) corporate investors raise rents 60 percent more than average when they buy single-family homes;
2) a higher share of investors in a neighborhood is associated with more frequent rent increases compared to non-investor landlords; and
3) corporate investors are purchasing homes in areas with more Black residents and fewer college graduates.[13]

Algorithmic pricing software can help otherwise competing landlords work together to raise rents. This has negative effects on housing affordability and eviction rates. A 2024 report from Local Progress and the American Economic Liberties Project showed double-digit rent increases in cities where use of this software is common. One of RealPage's clients noted a 15 percentage point rise in tenant turnover after using the software.[14] A 2022 ProPublica investigation revealed that RealPage's YieldStar sometimes advised landlords to raise rents and keep units vacant to boost profits.[15] Further reporting has found that the use of this algorithmic rent-setting software is most prevalent among large, corporate landlords who benefit from economies of scale.[16]

Several cities are trying to tackle algorithmic pricing with local bans. These include Jersey City, San Francisco, Philadelphia, Minneapolis, and San Diego.[17] For example, the Minneapolis ordinance:

1) requires property owners to self-attest that they do not use algorithmic rent-setting devices every time they renew their rental license;
2) requires a notice be sent to all rental property owners educating them about the new rules; and
3) allows tenants to file a civil action in court to seek compensatory damages, along with reasonable attorney fees and costs, if an owner or operator violates the ordinance.[18]

The stated intent of these regulations is to protect renters, promote fair competition, and address the challenges of housing affordability in Minneapolis.[19]

ANTICIPATED RESJ IMPACTS

If enacted, Bill 8-26 would ban all landlords in the County from using algorithmic pricing software. To consider the anticipated impact of Bill 8-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 8-26:

- **Tenants** would benefit from stopping rent increases and voluntary vacancies caused by algorithmic pricing software. In the County, Black and Latinx households are more likely to be cost-burdened renters (Appendix Table A). Given racial and ethnic disparities in housing costs, banning the use of algorithmic pricing software could disproportionately benefit BIPOC renters and improve racial disparities in housing.
- **Landlords** may be burdened by bans on certain rent and occupancy setting methods that could help boost their profits. Landlords and real estate groups often oppose these bans, claiming existing laws already prevent price-fixing behaviors.[20] As shown in Table B in the Appendix, White community members are significantly overrepresented among real estate, rental, and leasing business owners in the County. Furthermore, if any of the real estate companies are publicly traded, most of the benefit will likely go to White community members who own stock at higher rates than BIPOC community members.[21] As such, a ban on algorithmic pricing would disproportionately burden White landlords and community members and would not worsen racial disparities in the County.

There remain, however, several unanswered questions in determining whether and how a ban on price coordination and rent-setting algorithms could ultimately impact racial and social inequities in housing. These include, but are not limited to, the following questions:

- Will the Montgomery County Department of Housing and Community Affairs (DHCA) conduct proactive investigations or rely on complaints submitted by tenants? According to staff, DHCA has never received complaints or reports related to the use of rent-setting algorithms.[22]
- If DHCA relies on complaints, how will tenants know whether their landlords are using prohibited rent-setting algorithms?

- Does DHCA have the staff capacity to conduct complaint review and enforcement? According to staff, DHCA has never investigated or enforced these types of matters.[23]

These unanswered questions regarding how Bill 8-26 would be implemented are heightened by a lack of evidence isolating the impacts of algorithmic pricing software on rent and vacancy levels when also considering new construction, macroeconomic demand, and developer behavior.[24]

Taken together, OLO finds the anticipated RESJ impact of Bill 8-26 is indeterminate.

Recommended Amendments

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[25] OLO cannot discern the anticipated RESJ impact of Bill 8-26. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers several policy options for Council consideration:

- **Establish systems for proactive administration and enforcement of Bill 8-26.** As explained by researchers at the Urban Institute, decisions about who will govern, administer, and enforce policies related to rent regulation can mitigate or compound existing unequal tenant-landlord power dynamics.[26] BIPOC and undocumented tenants might be afraid to submit a complaint about a landlord using algorithmic pricing software for fear of retaliation. To improve equitable tenant outcomes and avoid putting the responsibility of enforcement onto tenants alone, the Council could, for example:
    1) Require DHCA to coordinate periodic audits of large property management companies to verify compliance through undercover fair housing testers. Audits should be targeted in areas with the highest share of Black and Latinx renters, who may be most negatively impacted by rent-setting algorithms.
    2) Require landlords to self-attest every year that they do not use prohibited algorithmic tools or engage in price coordination. This self-attestation form could be tied to the rental license renewal process, as described above in the example of the City of Minneapolis ordinance.

- **Launch a "Know Your Rights and Responsibilities" communication and training campaign tied to Bill 8-26.** For example, the Council could require DHCA to publish plain-language explainers in multiple languages that describe:
    1) the basics of the law and what is now illegal;
    2) how to recognize and document signs of price coordination and the use of rent-setting algorithms; and
    3) how to file a complaint through MC311.

  County staff should conduct proactive communication to landlords and tenants in areas with the highest concentration of Black and Latinx renters. For example, after the adoption of its rent stabilization policy, the City of Oakland proactively offered rent stabilization workshops for small property owners as well as workshops geared toward teaching tenants their rights under the law.[27] County staff should also be trained to recognize warning signs of algorithmic pricing and how to appropriately respond.

Caveats

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making

process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

APPENDIX

Figure 1: Definition of an Algorithmic Device and Price Coordination

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

  (A) 2 or more landlords;

  (B) public databases; or

  (C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Figure 2: Rental Data Collection Activities Allowed Under Bill 8-26

The following activities would be exempt from the Bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Table A. Homeownership Rate and Cost Burden Rates of Homeowners and Renters. Montgomery County, 2024

Race and Ethnicity[28]	Homeownership Rate	Homeowner Cost Burden Rate	Renter Rate	Renter Cost Burden Rate
Asian	71%	26%	29%	37%
Black	40%	33%	60%	54%
White	76.5%	23%	23.5%	37%
Latinx	54%	27%	46%	56%

Source: Table S0201, 2024 American Community Survey 1-Year Estimates, Census Bureau.

Table B. Real Estate and Rental and Leasing Employer Firms by Race and Ethnicity, Montgomery County, 2022[29]

Race and Ethnicity	Percent of Real Estate and Rental and Leasing Business Owners (NAICS 53)	Percent of All Sectors (NAICS 00)	Percent of Adult Population
Asian	12.4	21.8	15.4
Black	5.1	7.6	18.6
American Indian or Alaska Native	—	1.4	0.6
Pacific Islander	—	0.1	0.0
White	82.3	69.1	42.1
Hispanic or Latinx (of any race)	3.9	10.0	21.0

Source: OLO analysis of 2022 Annual Business Survey (Table AB2200CSA01) and 2024 American Community Survey 5-Year Estimates (Table DP05).

[1] Definition of racial equity and social justice adopted from Marlysa Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Resident, Press Release from the Office of the Attorney General of Maryland.
[4] 2026 Regular Session - House Bill 434, Introduced January 22, 2026.
[5] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
[6] Ibid.

[7] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
Montgomery County Code, Sec. 1-19. Fines and penalties.
[8] E. Bonner-Tompkins, J. Peña, & E. Tesfaye, OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development, Office of Legislative Oversight, June 18, 2024.
[9] N. Graetz, et. al, Who is Evicted in America, The Eviction Lab, October 3, 2023.
[10] D. Carrillo, Expanding COVID-19 Eviction Diversion Strategies: Centering Black, Indigenous, and People of Color in Outreach, Montgomery County Council, August 11, 2023, pg. 17.
[11] DHHS Pulse Report: COVID-19 Impact and Recovery, Department of Health and Human Services, May 17, 2023.
[12] Memorandum to Montgomery County Council Health and Human Services Committee, June 23, 2025.
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[14] Local Progress and the American Economic Liberties Project, Policy Memo: Rent-Setting Software Algorithms, March 2024.
[15] H. Vogell, How a Secret Rent Algorithm Pushes Rents Higher, ProPublica, October 15, 2022.
[16] ProPublica report and M. Reynolds, Report eyes profits of Atlanta landlords using RealPage, The Atlanta Journal Constitution, June 18th, 2024.
[17] J. Brey, Several Cities Block AI-Powered Rent Gouging, *Governing*, June 10, 2025.
[18] City of Minneapolis, Use of Algorithms in Rental Rates: Staff Presentation, March 20, 2025. The ordinance is set to take effect on March 1, 2026.
[19] Ibid.
[20] J. Brey, Several Cities Block AI-Powered Rent Gouging, *Governing*, June 10, 2025.
[21] National polling suggests stock ownership varies significantly by race and ethnicity, with an estimated 70 percent of White adults owning stock, compared with 53 percent of Black adults and 38 percent of Hispanic adults.
What Percentage of Americans Own Stock? Based on combined data from April 1-22, 2024, and April 1-14, 2025, Gallup polls.
[22] OLO correspondence with DHCA staff, February 18, 2026.
[23] Ibid.
[24] One example a *non*-peer reviewed study is T. Majidzadeh et. al, Investigation of Alleged 'Algorithmic Collusion' In Rental Housing, University of Berkeley, April 14, 2025.
[25] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[26] C. P. Stacy et al., Rent Control: Key Policy Components and Their Equity Implications, Urban Institute, July 2021.
[27] Ibid.
[28] For Tables A and B, race is inclusive of Latinx origin. Estimates for Native American and Pacific Islander community members are not available for some data points.
[29] Margins of error for data points in Table B may be large.