This testimony is submitted on behalf of the Montgomery County Branch of the NAACP in support of Bill 8-26, the Anti-Algorithmic Price Fixing Bill.

The NAACP has a long history of fighting to assure fair housing policies. Those efforts have not only involved opposing racially restrictive laws but has included advocating for affordable housing. Our local branch routinely assists individuals who believe they have experienced housing discrimination and has initiated programs that help residents achieve home ownership.

Our concern about housing is not only because we believe that fairness in housing policy is essential in a democracy but also because we know that housing is often the key to wealth creation and access to vital public services. In essence, housing policy may not only determine where you live but how you live.

As the Montgomery County Planning Board noted in its 2024 Report on the Black Population of Montgomery County, " Black residents are less likely to be homeowners than county residents overall; only 46% of people in Black households reported owning their home, compared with 66% of those in the county overall. As a result, a majority of Black householders rent (54%) compared with only 34% in the county overall."

In essence, rental price increases have a disproportionately burdensome effect on Black residents of this County. Therefore, based on these facts and our history of advocacy in this subject areas, we support Bill 8-26, the Anti-Algorithmic Price Fixing Bill.

It is no secret that high housing costs are influenced by a lack of supply in the housing market. However, we also understand that a lack of competition in pricing in the rental market may artificially increase prices.

Algorithmic pricing may undermine competition because it can facilitate price coordination among landlords who would otherwise be competing. Moreover, the current reality of the growth of institutional landlords and the concentration of ownership of rental properties in an ever-decreasing number of national companies increases the likely anti-competitive effect of these computerized

pricing tools. Simply put, once the algorithm sets the price in particular markets, small local landlords are likely to keep up with increased rents, placing additional economic pressure on average families.
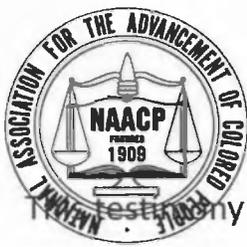
To be clear, we do not oppose rent increases. However, we understand that those increases are rightly based on the economic forces encountered by a landlord. However, we understand that an algorithm removes the need for the landlord's individual assessment and substitutes it with a mechanism that may well artificially increase rents.

In sum, we support this bill because we believe that the practice of algorithmic rent determinations places a genuine burden on fairness in housing and thereby harms the economic and housing interests of Black and Brown people in Montgomery County.

We urge you to pass this bill.

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