



Bill 8-26, Landlord-Tenant Relations - Prohibition Against Price Coordination and Rent-Setting Algorithms
Montgomery County Council
March 10, 2025
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Montgomery County, opposes Bill 8-26, *Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms*. Bill 8-26 seeks to ban the use of algorithmic tools and price coordination in determining rents or rental terms within the County.

MCCC shares the commitment to addressing housing attainability challenges facing Montgomery County. The Chamber also supports open markets and opposes any form of price fixing. However, Bill 8-26 does not address the underlying cause of rising rents, which is a persistent and worsening shortage of housing supply. Without significantly increasing the production of housing, no changes to pricing tools will meaningfully lower rents for residents.

The County's housing shortage is well documented and has broad economic repercussions. Businesses struggle to recruit and retain workers, families face rising cost burdens, and younger residents are increasingly priced out of the community. This supply gap, not the use of algorithmic tools, is the driving force behind rising rents.

Bill 8-26 is built on the assumption that algorithmic pricing tools artificially raise rents or promote price coordination. In practice, these tools respond to real-time market dynamics and often lower rents when conditions soften. They make more efficient the same decisions property managers already make based on comparative data and market analysis. Critically, they do not replace human judgment as property owners and managers ultimately set rents, with or without software.

Additionally, the bill's definitions are overly broad and could unintentionally prohibit commonly used rental market analytics, basic property-management systems, and general market data platforms. These tools help property owners and tenants alike understand fair market value. Limiting access to information makes fair pricing less likely, not more.

The Chamber appreciates and supports efforts to address housing supply and affordability. However, banning algorithmic tools will not lower rents in Montgomery County. MCCC urges Councilmembers to focus on policies that incentivize the construction of more housing, streamline approvals, and expand opportunities for growth. These steps will do far more to reduce rents and improve affordability than restricting the tools property managers use to understand market conditions.

For these reasons, MCCC opposes Bill 8-26, *Landlord-Tenant Relations - Prohibition Against Price Coordination and Rent-Setting Algorithms* and respectfully asks the County Council to reject this measure.

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The Montgomery County Chamber of Commerce (MCCC), established in 1959, is an independent non-profit membership organization. MCCC advocates on behalf of our members for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success.