

Economic Impact Statement

Montgomery County, Maryland

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

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 8-26 would have an indeterminate impact on economic conditions in the County, as measured by the Council's priority economic indicators. By prohibiting the use of algorithmic devices to establish rents and to coordinate prices, the Bill would primarily affect landlords and renters in the County. OLO cannot confidently anticipate the overall economic impact of the Bill for two main reasons:

First, while a growing number of states and local jurisdictions have recently moved to restrict or ban the use of rental pricing algorithms,¹ the empirical evidence on their economic effects remains limited and somewhat mixed. OLO identified two working papers that investigate rental pricing algorithms. Both find that use of RealPage's pricing software—a major provider used by large multifamily landlords—is associated with higher rents for adopters and in markets with higher adoption, relative to non-adopters and lower-adoption markets. However, only one study finds statistically significant evidence consistent with price coordination among landlords using the same pricing software, while the other does not find clear evidence that higher rents are caused by coordination through the software rather than by other factors.

Second, there is uncertainty regarding how the County's Department of Housing and Community Affairs (DHCA) could effectively enforce the ban. DHCA has no prior complaints or enforcement experience with algorithms, and the department's purely complaint-based approach to housing enforcement is unlikely to be effective.

Given uncertainty regarding effective enforcement of bans, OLO recommends that Councilmembers consider requesting a full report from the office on the economic impacts of rental pricing algorithms and options for effective enforcement.

Background and Purpose of Bill 8-26

In recent years, the U.S. Department of Justice and several states have sued companies using algorithms² 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

¹ Cheyenne Tan, "How U.S. States Are Tackling Algorithmic Pricing: 2025 Bill Tracker and Analysis," *Innovation at Consumer Reports*, August 1, 2025, <https://innovation.consumerreports.org/how-u-s-states-are-tackling-algorithmic-pricing-2025-bill-tracker-and-analysis/>.

² "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.

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.](#)

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 the rental housing market [by] cracking down on illegal price-fixing and collusion that results in higher rents.”⁵ If enacted, the Bill would: ⁶

- 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; and
- 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.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 8-26 on residents and private organizations, using the Council’s priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁸

For this analysis, OLO did not identify any impact evaluations of local bans on rental pricing software that estimate their effects on rents or other outcomes. Instead, OLO relied on two non-peer-reviewed working papers that empirically investigate whether the use of RealPage’s rental pricing software affects rents.

In addition, this analysis draws on OLO correspondence with DHCA staff regarding potential enforcement challenges.

Variables

The primary variables that would affect the economic impacts of enacting Bill 8-26 are the following:

- Average rents
- Average occupancy rates
- Price coordination

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 Montgomery County Code, “[Sec. 2-81B, Economic Impact Statements](#).”

- Enforcement effectiveness

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Evidence Review

OLO identified two non-peer-reviewed working papers on the effects of RealPage’s rental pricing software on rents:

- Calder-Wang and Kim (2024), [Algorithmic Pricing in Multifamily Rentals: Efficiency Gains or Price Coordination?](#)
- Majidzadeh et al. (2025), [Investigation of Alleged “Algorithmic Collusion” in Rental Housing: Impact and Implications of RealPage’s Pricing Algorithms for Housing Affordability](#)

Calder-Wang and Kim (2024) investigate the effects of RealPage’s rental pricing software on rents and occupancy in U.S. market-rate multifamily buildings, using panel data from the top 50 metropolitan areas between 2005 and 2019. They found that markets and segments with higher adoption of RealPage’s pricing software had higher average rents and lower average occupancy during economic recoveries relative to comparable markets with lower adoption. They conclude that pricing algorithms likely operate through two channels: they help landlords adjust rents more quickly to changing market conditions (lowering rents and raising occupancy in downturns) but also appear to facilitate coordinated pricing among landlords using the same software to inflate prices during recoveries.

Majidzadeh et al. (2025) investigate the relationship between RealPage’s rental pricing software and rents in U.S. multifamily properties, combining cross-sectional building-level data and metropolitan rent indices for the 2010s through early 2020s. Similar to Calder-Wang and Kim, Majidzadeh et al. (2025) find that properties associated with RealPage’s pricing software charge higher rents per square foot than comparable properties that are not identified as users. In contrast to Calder-Wang and Kim, however, they do not find consistent, statistically significant evidence that RealPage’s acquisition of a major competitor led to additional rent increases. As a result, they cannot clearly attribute the observed rent premium to landlords coordinating through the software rather than to other factors.

Residents

OLO anticipates that Bill 8-26 would have an indeterminate impact on certain County residents.

In theory, the Bill could affect current and prospective renters whose landlords use pricing software. Studies reviewed by OLO find that use of RealPage’s rent-setting software is associated with higher rents for adopters and in high-adoption markets, relative to non-adopters and low-adoption markets. Based on these findings, it is plausible that a ban, if effective, could reduce rents for affected units and thereby reduce nondiscretionary household expenditures on rent for affected renters. However, OLO did not identify studies examining the impacts of such bans in other jurisdictions and has questions regarding DHCA’s ability to effectively enforce a local ban.

For these reasons, OLO cannot determine how the Bill would impact residents with respect to the Council's priority economic indicators.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 8-26 would have an indeterminate impact on certain private organizations in the County.

The Bill could affect landlords who use pricing software to set rents. An effective ban could reduce rent revenues for landlords that use such software. However, for reasons previously discussed regarding uncertain enforcement and limited evidence on the impacts of bans, OLO cannot determine how the Bill would affect local businesses with respect to the Council's other priority economic indicators.

Net Impact

For reasons previously discussed, OLO anticipates that Bill 8-26 would have an indeterminate overall impact on economic conditions in the County.

Discussion Items

Given the uncertainty surrounding effective enforcement of local bans on pricing software, Councilmembers should consider requesting a full report from OLO on the economic impacts of rental pricing algorithms and options for effective enforcement.

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. 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.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

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.