

SUMMARY and FISCAL NOTE

| Department: | Dept. Contact: | CBO Contact: |
|--------------------|-----------------------|---------------------|
| Legislative | Tamaso Johnson | N/A |

1. BILL SUMMARY

Legislation Title: An ordinance related to prohibiting algorithmic rent fixing; and adding a new Chapter 7.34 to the Seattle Municipal Code.

Summary and Background of the Legislation: This legislation would define a form of prohibited coordination of information via services that combine certain public and non-public data related to the rental housing market with algorithmic analysis which may allow non-competitive price-setting practices for residential rental units. This bill would prohibit landlords from using such coordination services, prohibit such services from being offered, impose civil penalties for such conduct, and create a private right of action for persons harmed by conduct prohibited under this bill.

Amendment at Housing and Human Services Committee: This legislation was amended on June 11, 2025 by the Housing and Human Services Committee. The amendment added the ability for successful plaintiffs under the private right of action established by this bill to recover reasonable attorneys' fees and costs.

Amendments at Full Council: This legislation was approved with the following three amendments at Full Council on June 24, 2025:

Amendment B: This amendment requests that the Department of Construction and Inspections do outreach to educate landlords regarding the bill and provide Council with a report by January 31, 2026.

Amendment C: This amendment adds a definition of "service provider" and uses that term in place "person" in the prohibition on providing coordinating functions. This amendment also exempts short-term rentals and hotels from the scope of the bill. This amendment also clarifies that landlord use of recordkeeping systems, absent prohibited coordination activity, is allowed.

Amendment D: This amendment clarifies that penalties for landlord use of prohibited coordination services will be assessed on a per dwelling unit basis. This amendment also allows a plaintiff under the private right of action to seek actual damages in addition to the defined statutory damages under the bill.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill.
Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

| Project Name: | Master Project I.D.: | Project Location: | Start Date: | End Date: | Total Project Cost Through 2030: |
|----------------------|-----------------------------|--------------------------|--------------------|------------------|---|
| | | | | | |

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

☐ Yes ☐ No

The potential fiscal impacts of implementing this legislation are unknown at this time. The CAO has stated that fiscal impact will be dependent on the number of eligible cases, which is unknown at this time. CAO may be able to absorb these costs within existing budget, or may require additional resources to pursue these cases in the future depending on case volume. SDCI has stated that they can implement relevant parts of the bill within existing budgets.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

Please describe any financial costs or other impacts of *not* implementing the legislation.

There is no direct financial cost of not implementing the legislation.

4. OTHER IMPLICATIONS

- a. Please describe how this legislation may affect any departments besides the originating department.**

The City Attorney's Office is responsible for enforcing provisions of this bill.

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No.

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

This ordinance would prohibit the use of services that combine certain public and non-public information related to the rental housing market with algorithmic analysis which may allow non-competitive price-setting practices for residential rental units. The prohibition of use of these services may have beneficial impacts on rental housing affordability that could positively impact the housing market for

renters in Seattle, including vulnerable or historically disadvantaged communities who may be relatively more likely to be represented in among residential rental tenants.

- ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A

- iii. **What is the Language Access Plan for any communications to the public?**

N/A

d. Climate Change Implications

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

- e. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

5. CHECKLIST

Please click the appropriate box if any of these questions apply to this legislation.

- ☐ **Is a public hearing required?**
- ☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**
If yes, please review requirements in Resolution 31203 for applicability and complete and attach "Additional risk analysis and fiscal analysis for non-utility partner projects" form.

6. ATTACHMENTS

Summary Attachments: None.