

Amendment C to CB 121000 – LEG Algorithmic Rent-Fixing ORD

Sponsor: Councilmember Moore

Defining “service provider”; clarifying violations and excluded dwellings

Effect: This amendment accomplishes several functions:

- (1) The amendment adds a new definition for “service provider” to the bill and uses the term “service provider” when identifying who performs coordinating activities or otherwise commits a violation. Amending the bill to reframe the activity as that done by a “service provider” instead of a person aligns this bill with the language of the model Washington State bill, Substitute Senate Bill 5469 (2025 Regular Session).
- (2) The amendment adds a new section to address the application of the bill to short-term rentals and hotels, as these terms are defined in the code. The section explicitly excluding businesses like short-term rentals or hotels from the scope of dwelling units whose landlords might engage in prohibited coordinating activities.
- (3) The amendment clarifies the scope of violations by expressly excluding from enforcement a landlord that uses basic recordkeeping software or systems absent any coordination activity.

1. Amend Section 1 of CB 121000 as follows:

Section 1. A new Chapter 7.34 is added to the Seattle Municipal Code as follows:

Chapter 7.34 ALGORITHMIC RENT FIXING

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7.34.020 Definitions

For the purposes of this Chapter 7.34:

“Coordinate” and “coordinating” mean a ~~((person’s))~~ service provider’s: (1) collecting historical, anticipated, or contemporary prices, price changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates of residential dwelling units from two or more landlords, from private databases, or from public databases; and (2) analyzing or

processing the information described in (1) through the use of a system ~~((7))~~ or software ~~((7~~ ~~algorithm,))~~ that utilizes an algorithmic or other automated process to provide recommendations regarding rental prices, lease renewal terms, or occupancy levels to more than one landlord. “Coordinate” and “coordinating” do not include publishing rental price estimates that:

1. Are solely based on publicly available information;
2. Are equally available to all members of the public; and
3. Do not require a contract ~~((7))~~ or agreement ~~((7, or license))~~ to obtain.

“Dwelling unit” has the meaning defined in Section 22.204.050.

“Landlord” means the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.

“Person” means any individual, firm, corporation, association, governmental entity, or partnership and its agents or assigns.

“Service provider” means any person that performs a coordinating function.

7.34.025 Exclusions

This Chapter 7.34 does not apply to coordinating functions provided in connection with either short-term rentals as defined in Section 6.600.030 or hotels as defined in Section 22.204.090.

7.34.030 Violations

A. It is a violation of this Chapter 7.34 for any landlord, in or affecting commerce, to ~~((subscribe to,))~~ contract with ~~((,))~~ or otherwise exchange anything of value in return for the coordinating services of a service provider.

B. It is a violation of this Chapter 7.34 for any ~~((person))~~ service provider, in or affecting commerce, to provide coordinating services to two or more landlords.

C. It is not a violation of this Chapter 7.34 for a landlord to use a system or software recordkeeping tool absent otherwise prohibited conduct under this Chapter 7.34.

7.34.040 Enforcement and penalties

The City Attorney may file a civil action in a court of competent jurisdiction for violations of this Chapter 7.34 for civil penalties of up to \$7,500 per violation. The court may award reasonable attorneys' fees and costs to the City Attorney if the City Attorney is the prevailing party.

7.34.050 Private right of action

Any person injured by a violation of this Chapter 7.34 may bring a civil action in a court of competent jurisdiction against a landlord or other ~~((person))~~ service provider violating this Chapter 7.34 to recover damages up to \$7,500 per violation. The court may award reasonable attorneys' fees and costs to any person injured by a violation of this Chapter 7.34 if that person is the prevailing party.