1 **CITY OF SEATTLE**

2 **ORDINANCE** _127241_

3 COUNCIL BILL _121000_

4 AN ORDINANCE relating to prohibiting algorithmic rent fixing; and adding a new Chapter 7.34
5 to the Seattle Municipal Code.

6 WHEREAS, in recent years, software using competitive non-public information provided by

7 landlords to suggest and set rent prices and other lease terms has proliferated in rental

8 markets across the nation; and

9 WHEREAS, the U.S. Department of Justice (DOJ), along with several state attorneys general,

10 filed a civil lawsuit against RealPage, Inc., alleging that RealPage contracts with

11 competing landlords who provide nonpublic competitively sensitive information about

12 rent and other lease terms, which help the software generate recommendations on rental

13 pricing and other terms in violation of antitrust laws; and

14 WHEREAS, while Washington State was originally part of the multi-state lawsuit filed by DOJ,

15 the Attorney General withdrew the claim and filed a suit in state court instead, alleging

16 violations of the state's Consumer Protection Act; and

17 WHEREAS, other jurisdictions across the country, including San Francisco, Portland, Berkeley,

18 San Diego, Philadelphia, Minneapolis, and Colorado, have considered, are considering,

19 or have passed legislation to regulate coordination between landlords or the use of

20 algorithmic software to set rent; and

21 WHEREAS, the Washington State Legislature considered regulating algorithmic rent fixing and

22 noncompete agreements in Senate Bill 5469 in the 2025 legislative session; and

23 WHEREAS, this legislation is modeled on the legislation considered by the Washington State

24 Legislature; NOW, THEREFORE,

1 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

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

3 **Chapter 7.34 ALGORITHMIC RENT FIXING**

4 **7.34.010 Findings**

5   A. The prevalence of new software programs, often referred to as "algorithmic devices,"

6 has increased over the past several years.

7   B. These devices allow landlords to indirectly coordinate with each other by sharing non-

8 public, sensitive, and proprietary information to the software program, which then recommends

9 rental rates and occupancy levels.

10   C. In 2022, an investigation by ProPublica into companies with such software showed

11 that for "one neighborhood in Seattle, ProPublica found, 70 percent of apartments were overseen

12 by just ten property managers, every single one of which used pricing software sold by

13 RealPage."

14   D. Use of such software by landlords likely drives up rent and vacancies and may be

15 illegal price-fixing.

16   E. As of 2019, renters outnumber homeowners in Seattle.

17   F. Substantial increases in rent are one of the reasons for the increase in the share of

18 renter households who are cost burdened (defined by HUD as spending more than 30 percent of

19 gross income on housing cost), with average monthly rents increasing by 32 percent, after

20 adjusting for inflation, between 2012 and 2022.

21   G. The Attorney General estimates that about 800,000 leases in Washington were priced

22 using RealPage software between 2017 and 2024.

1   H. The City has an interest in protecting consumers as well as addressing factors that

2   artificially inflate an already high demand for rental housing.

3   **7.34.020 Definitions**

4   For the purposes of this Chapter 7.34:

5   "Coordinate" and "coordinating" mean a service provider's: (1) collecting historical,

6   anticipated, or contemporary prices, price changes, supply levels, occupancy rates, or lease or

7   rental contract termination and renewal dates of residential dwelling units from two or more

8   landlords, from private databases, or from public databases; and (2) analyzing or processing the

9   information described in (1) through the use of a system or software that utilizes an algorithmic

10   or other automated process to provide recommendations regarding rental prices, lease renewal

11   terms, or occupancy levels to more than one landlord. "Coordinate" and "coordinating" do not

12   include publishing rental price estimates that:

13   1. Are solely based on publicly available information;

14   2. Are equally available to all members of the public; and

15   3. Do not require a contract or agreement to obtain.

16   "Dwelling unit" has the meaning defined in Section 22.204.050.

17   "Landlord" means the owner, lessor, or sublessor of the dwelling unit or the property of

18   which it is a part, and in addition means any person designated as representative of the owner,

19   lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated

20   property manager.

21   "Person" means any individual, firm, corporation, association, governmental entity, or

22   partnership and its agents or assigns.

23   "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 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 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. Each instance of coordinating services for each dwelling unit may be considered a separate 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 service provider violating this Chapter 7.34 to recover damages up to $7,500 per violation in addition to any actual damages incurred. 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.

1   Section 2. The provisions of this ordinance are declared to be separate and severable. The

2   invalidity of any clause, sentence, paragraph, subdivision, section, subsection, or portion of this

3   ordinance, or the invalidity of the application thereof to any person, property, or circumstance,

4   shall not affect the validity of the remainder of this ordinance or the validity of its application to

5   other persons, property, or circumstances.

6   Section 3. The Council requests that the Seattle Department of Construction and

7   Inspections (SDCI): (1) conduct outreach efforts to educate landlords about the requirements of

8   this ordinance; and (2) transmit to Council, by January 31, 2026, a report describing the results

9   of these outreach efforts and proposing potential ways that SDCI could assist with the

10   implementation of this ordinance.

1   Section 4. This ordinance shall take effect as provided by Seattle Municipal Code

2   Sections 1.04.020 and 1.04.070.

3   Passed by the City Council the ___24th___ day of _____June_____, 2025,

4   and signed by me in open session in authentication of its passage this ___24th___ day of

5   _____June_____, 2025.

6   _____

7   President _____ of the City Council

8   ☑ Approved / ☐ returned unsigned / ☐ vetoed this __1st__ day of ____July____, 2025.

9   _____

10   Bruce A. Harrell, Mayor

11   Filed by me this __1st__ day of _____July_____, 2025.

12   _____

13   Scheereen Dedman, City Clerk

14   (Seal)

15   Attachments: