

118TH CONGRESS  
2D SESSION

# H. R. 8622

To prohibit the use of algorithmic systems to artificially inflate the price or reduce the supply of leased or rented residential dwelling units in the United States.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2024

Ms. BALINT (for herself, Mr. GARCÍA of Illinois, Mr. GOMEZ, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. NADLER, Ms. NORTON, Mrs. WATSON COLEMAN, and Ms. OMAR) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To prohibit the use of algorithmic systems to artificially inflate the price or reduce the supply of leased or rented residential dwelling units in the United States.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Preventing the Algo-  
5 rithmic Facilitation of Rental Housing Cartels Act of  
6 2024”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1           (1) CHAIR.—The term “Chair” means the  
2 Chair of the Commission.

3           (2) COMMISSION.—The term “Commission”  
4 means the Federal Trade Commission.

5           (3) CONSCIOUSLY PARALLEL PRICING COORDI-  
6 NATION.—The term “consciously parallel pricing co-  
7 ordination” means a tacit agreement between 2 or  
8 more rental property owners to raise, lower, change,  
9 maintain, or manipulate pricing for the purchase or  
10 sale of reasonably interchangeable products or serv-  
11 ices.

12           (4) COORDINATING FUNCTION.—The term “co-  
13 ordinating function” means—

14                   (A) collecting historical or contempora-  
15 neous prices, supply levels, or lease or rental  
16 contract termination and renewal dates of resi-  
17 dential dwelling units from 2 or more rental  
18 property owners;

19                   (B) analyzing or processing of the informa-  
20 tion described in subparagraph (A) using a sys-  
21 tem, software, or process that uses computa-  
22 tion, including by using that information to  
23 train an algorithm; and

1 (C) recommending rental prices, lease re-  
2 newal terms, or ideal occupancy levels to a rent-  
3 al property owner.

4 (5) COORDINATOR.—The term “coordinator”  
5 means any person that operates a software or data  
6 analytics service that performs a coordinating func-  
7 tion for any rental property owner, including a rent-  
8 al property owner performing a coordinating func-  
9 tion for their own benefit.

10 (6) PERSON.—The term “person” has the  
11 meaning given the term in subsection (a) of the first  
12 section of the Clayton Act (15 U.S.C. 12).

13 (7) PRE-DISPUTE ARBITRATION AGREEMENT.—  
14 The term “pre-dispute arbitration agreement”  
15 means an agreement between 2 or more parties to  
16 arbitrate a dispute between the parties that is made  
17 before any dispute has arisen.

18 (8) PRE-DISPUTE JOINT ACTION WAIVER.—The  
19 term “pre-dispute joint action waiver” means an  
20 agreement between 2 or more parties, which may be  
21 part of a pre-dispute arbitration agreement, that—

22 (A) would prohibit or waive the right of a  
23 party to participate in a joint, class, or collec-  
24 tive action in a judicial, arbitral, administrative,

1 or other forum relating to a dispute between  
2 parties; and

3 (B) is made before any dispute has arisen.

4 (9) RESIDENTIAL DWELLING UNIT.—The term  
5 “residential dwelling unit”—

6 (A) means any house, apartment, accessory  
7 unit, or other unit intended to be used as a pri-  
8 mary residence; and

9 (B) does not include inpatient medical  
10 care, licensed long-term care, and detention or  
11 correctional facilities.

12 (10) RENTAL PROPERTY OWNER.—The term  
13 “rental property owner” means any individual, cor-  
14 poration, partnership, association, joint-stock compa-  
15 nies, trusts, or unincorporated organizations that  
16 owns real property and leases or rents such property  
17 or any portion thereof in the form of 4 or more resi-  
18 dential dwelling units.

19 (11) STATE.—The term “State” means any  
20 State of the United States, the District of Columbia,  
21 the Commonwealth of Puerto Rico, and any territory  
22 or possession of the United States.

23 **SEC. 3. UNLAWFUL CONDUCT.**

24 (a) IN GENERAL.—

1           (1) CONTRACT OR CONSPIRACY IN RESTRAINT  
2           OF TRADE.—It is unlawful for a rental property  
3           owner, in or affecting commerce, or any agent or  
4           subcontractor thereof, to subscribe to, contract with,  
5           or otherwise exchange anything of value in return  
6           for the services of a coordinator, and such action  
7           shall be deemed to be a per se violation of the Sher-  
8           man Act (15 U.S.C. 1 et seq.).

9           (2) FACILITATION.—It is unlawful for a coordi-  
10          nator, in or affecting commerce, to facilitate an  
11          agreement among rental property owners to not  
12          compete with respect to residential dwelling units,  
13          including by performing a coordinating function.

14          (3) ANTI-COMPETITIVE MERGER.—It is unlaw-  
15          ful for any coordinator, in or affecting commerce, to  
16          acquire, directly or indirectly, the whole or any part  
17          of the stock or other share capital of another coordi-  
18          nator if the acquisition would create an appreciable  
19          risk of materially lessening competition in violation  
20          of section 7 of the Clayton Act (15 U.S.C. 18), or  
21          tend to create a monopoly or monopsony, and any  
22          such acquisition shall be deemed a violation of such  
23          section.

24 **SEC. 4. ENFORCEMENT.**

25          (a) ENFORCEMENT.—

1 (1) IN GENERAL.—

2 (A) FEDERAL TRADE COMMISSION.—The  
3 Commission shall enforce this Act in the same  
4 manner, by the same means, and with the same  
5 jurisdiction, powers, and duties as though all  
6 applicable terms of the Federal Trade Commis-  
7 sion Act (15 U.S.C. 41 et seq.) were incor-  
8 porated into and made a part of this Act.

9 (B) ATTORNEY GENERAL.—The Attorney  
10 General shall enforce this Act in the same man-  
11 ner, by the same means, and with the same ju-  
12 risdiction, powers and duties as though all ap-  
13 plicable terms of the Sherman Act (15 U.S.C.  
14 1 et seq.), Clayton Act (15 U.S.C. 12 et seq.),  
15 and Antitrust Civil Process Act (15 U.S.C.  
16 1311 et seq.) were incorporated into and made  
17 a part of this Act.

18 (C) STATE ATTORNEYS GENERAL.—Any  
19 attorney general of a State shall enforce this  
20 Act in the same manner, by the same means,  
21 and with the same jurisdiction, powers and du-  
22 ties as though all applicable terms of the Sher-  
23 man Act (15 U.S.C. 1 et seq.) and the Clayton  
24 Act (15 U.S.C. 12 et seq.) were incorporated  
25 into and made a part of this Act.

1           (2) UNFAIR METHODS OF COMPETITION.—A  
2 violation of this Act shall also constitute an unfair  
3 method of competition under section 5 of the Fed-  
4 eral Trade Commission Act (15 U.S.C. 45).

5           (3) INDEPENDENT LITIGATION AUTHORITY.—If  
6 the Commission has reason to believe that a person  
7 violated this Act, the Commission may commence a  
8 civil action, in its own name by any of its attorneys  
9 designated by it for such purpose, to recover a civil  
10 penalty and seek other appropriate relief in any dis-  
11 trict court of the United States.

12           (4) STANDARDS OF PLEADING.—In a civil ac-  
13 tion under this subsection, a complaint—

14                   (A) plausibly pleads a violation of section  
15 1 or 3(a) of the Sherman Act (15 U.S.C. 1,  
16 3(a)) if the complaint contains factual allega-  
17 tions, including allegations of consciously par-  
18 allel pricing coordination, demonstrating that  
19 the existence of a contract, combination in the  
20 form of trust or otherwise, or conspiracy in re-  
21 straint of trade or commerce is among the  
22 realm of plausible possibilities; and

23                   (B) need not allege facts tending to ex-  
24 clude the possibility of independent action.

25           (b) CIVIL ACTIONS BY INJURED PERSONS.—

1           (1) CIVIL ACTION AUTHORIZED.—Any person  
2 who is aggrieved by a violation of this Act may bring  
3 a civil action in an appropriate district court of the  
4 United States, without respect to the amount in con-  
5 troversy, to recover an amount described in para-  
6 graph (2).

7           (2) AWARD AMOUNT.—

8           (A) IN GENERAL.—The court shall award  
9 to the plaintiff threefold the damages sustained  
10 by the plaintiff and the reasonable cost of liti-  
11 gation, including a reasonable attorney fee.

12           (B) INTEREST ON DAMAGES.—Pursuant to  
13 a motion by the plaintiff promptly made, the  
14 court may award simple interest on actual dam-  
15 ages sustained by the plaintiff for the period  
16 beginning on the date of service of the pleading  
17 of the plaintiff setting forth a claim under this  
18 Act and ending on the date of judgment, or for  
19 any shorter period therein.

20           (3) INVALIDITY OF PRE-DISPUTE ARBITRATION  
21 AGREEMENTS AND PRE-DISPUTE JOINT ACTION  
22 WAIVERS.—At the election of the plaintiff in an ac-  
23 tion authorized under paragraph (1), a pre-dispute  
24 arbitration agreement or pre-dispute joint action



1 waiver relating to a violation of this Act shall be in-  
2 valid or unenforceable.

3 **SEC. 5. RELATIONSHIP TO STATE AND LOCAL LAWS.**

4 Nothing in this Act may be construed to preempt any  
5 State, Tribal, city, or local law, regulation, or ordinance  
6 that explicitly supplements this Act.

7 **SEC. 6. SEVERABILITY.**

8 If any provision of this Act, or the application of such  
9 a provision to any person or circumstance, is held to be  
10 unconstitutional, the remaining provisions of this Act, and  
11 the application of such provisions to any person or cir-  
12 cumstance shall not be affected thereby.

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