



Mike Tipping
Senator, District 8

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

My name is Mike Tipping, I represent Senate District 8 in Penobscot County and I'm proud to present **LD 1552 An Act to Prohibit Landlords from Setting Rents Through the Use of Artificial Intelligence.**

We have laws in Maine preventing price fixing, collusion and other anti-trust and anti-consumer activity that artificially raises prices and costs Mainers money. We shouldn't allow landlords and property management agencies to bypass these protections by using an AI or computer services as a middle-man.

This isn't an academic exercise. Right now, landlords are using software like RealPage to aggregate non-public information about rents and receive recommendations from an AI. This practice is driving up rents across the country.

According to reporting by ProPublica and others, the widespread use of RealPage, which merged with its main competitor in 2017, has led to significant increases in rental prices. Its executives admit and even brag that it's having this effect.

"I think it's driving it, quite honestly," said Andrew Bowen, a RealPage executive quoted in a ProPublica piece. "As a property manager, very few of us would be willing to actually raise rents double digits within a single month by doing it manually."

In 2023, the Council of Economic Advisors released a report confirming these consequences. They showed that algorithmic pricing added a total of \$3.8 billion to rental prices across the country, with RealPage now being used to set rents for one in four properties in the U.S.

Last year, RealPage was sued by the Justice Department for anticompetitive practices, but the future of that lawsuit is now unclear.

If these landlords got together over coffee and all agreed to keep their rents high and not compete with each other, it would obviously be illegal, but by doing it through a new technology, they're making it less visible and harder to see and counteract, which is why the legislature must take steps now to address it.

Other states have introduced similar bills and Senator Amy Klobuchar has introduced the Preventing Algorithmic Collusion Act at the federal level.

Our laws should keep up with technology and Maine should ban this anti-competitive practice that's driving up the cost of living for thousands of Mainers.

Thank you for your consideration and I'd be happy to answer any questions.

There's a lot more we should do to address the pernicious influence of money in politics, but at least we should do this. Corporations shouldn't be handing money directly to current or aspiring elected officials to fund their campaigns for office.

Thank you for your consideration.