



March 26, 2025

Senate Committee on Housing and Development
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

RE: Testimony in Support of Senate Bill 722

Dear Chair Pham, Vice-Chair Anderson, and members of the Committee,

Thank you for the opportunity to provide testimony on behalf of the American Civil Liberties Union of Oregon (ACLU of Oregon). The ACLU of Oregon is a nonpartisan, nonprofit organization dedicated to preserving and enhancing civil liberties and civil rights, with more than 44,000 members and donor supporters statewide.

We strongly support Senate Bill 722, which would:

- **Prohibit the use of AI-powered, algorithmic rent pricing software that exacerbates Oregon's housing crisis, discriminates against tenants of color, and increases housing costs for everyone.**
- **It would also reasonably expand our state's rent stabilization statutes, while still incentivizing much-needed housing production in Oregon.**

The ACLU of Oregon feels very strongly that **access to housing is a fundamental civil right.**

- Without a safe, stable home, it is very difficult to exercise our other civil rights such as voting, organizing, demonstrating, or running for office.

Troublingly, the most common cause for eviction in Oregon is non-payment of rent.¹

- Too often, tenants facing eviction are working full-time jobs for pay in excess of the minimum wage.
- Nevertheless, **skyrocketing rent prices strain the finances of even relatively high earning renters**, let alone our low-income renters who are equally entitled to afford a place to live.
- A significant **cause of rising rents is landlord's widespread use of AI-powered, algorithmic software** that relies on non-public, commercially sensitive data provided by competing corporate landlords who control the majority of the state's housing stock.

Senate Bill 722 would prohibit landlords from establishing rents or deciding to leave a unit vacant based on "commercial software designed to use algorithms that rely on nonpublic competitor data."

¹ According to the Oregon Law Center, "more than 85% of eviction filings since October 2022 have been due to people not paying rent."

<https://www.opb.org/article/2025/01/29/oregon-housing-renters-land-lords-politics-homelessness-rent-renters-eviction/>

- This means **putting an end to the use of unfair price fixing software** that relies on pooling proprietary data held by competing corporate landlords.
- Through this process, landlords receive recommendations for rental prices based on one another's private data.
- As a result, **competing landlords can collude to maximize rental profits and artificially maintain housing scarcity**—further worsening the housing affordability crisis and diminishing the bargaining power of tenants who are left with even fewer housing options.

This price-fixing technology is already embedded in Oregon's communities.

- RealPage is the dominant AI-powered, algorithmic rent pricing software used throughout the state and nation.
- According to the federal lawsuit against RealPage, which Oregon has joined, internal documents from the company touted that **upwards of 80% of commercial multifamily housing owners and operators—nationwide—use RealPage's products.**²

The negative effects of this software are likely to be acutely felt by low-income communities,³ communities of color, the elderly, renters with disabilities, families with children, and other groups that have the least choice in the rental market and are the most susceptible to rent gouging.

- This is because **the software promotes housing scarcity, limiting the ability of Oregonians with marginalized backgrounds to move to wealthier neighborhoods.**
- The software also ensures rents are as high as possible, making it harder for a renter to stay in their current home let alone move to a more expensive one.
- Essentially, this algorithmic **software can solidify pre-existing housing patterns and heighten discriminatory trends.**
 - This is particularly troubling in a place like Portland, which has a history of racist city planning leading to segregation and inequity for people of color.⁴

Although Oregon is involved in federal litigation against RealPage, relief in the courts is often slow and incomplete. **Oregon's Legislature, starting with this Committee, can redress**

² The United States and eight states, including Oregon, sued RealPage in federal court in 2024 for its monopolistic practices. Complaint, *United States, et al. v. RealPage, Inc.*, Case No. 1:24-cv-00710 (M.D.N.C., August 23, 2024), <https://www.justice.gov/archives/opa/media/1364976/dl?inline>; see also, "Justice Department Sues RealPage for Algorithmic Pricing Scheme that Harms Millions of American Renters," Department of Justice, <https://www.justice.gov/archives/opa/pr/justice-department-sues-realpage-algorithmic-pricing-scheme-harms-millions-american-renters>

³ According to the federal government and states' complaint, "Rising rents have disproportionately affected low-income residents: . . . In 2021, the proportion of severely burdened households—households spending more than half of their income on gross rent—was 25%, or approximately 10.4 million households, an increase in approximately 1 million households since 2019. By 2022, this number increased to 12.1 million households." Complaint, 29.

⁴ "History of Racist Planning in Portland," City of Portland, <https://www.portland.gov/bps/planning/adap/history-racist-planning-portland>

this grave injustice against Oregon's renters without delay. By prohibiting the use of the software, Senate Bill 722 would ensure greater parity in the housing market going forward—providing relief to thousands of Oregonians struggling to afford rent.

Senate Bill 722 would **also reduce the existing 15 year exemption for new construction from our statewide rent stabilization statute down to 7 years.**

- **We oppose the -1 amendment**, which would remove this critical protection. **It is imperative that new construction be as affordable as possible.**
- A 7 year exemption will provide sufficient financial motivation for development, without unduly contributing to gentrification and price inflation.
- This modest change would ensure reasonable rent stabilization protections for **an additional 40,000 homes and some 80,000 to 100,000 Oregonians.**
- Developers are entitled to a reasonable profit, but cannot be allowed to gouge rents and exploit Oregonians at all income levels.

By passing Senate Bill 722 you have an opportunity to affirm Oregon's values by putting tenants on a more equal footing with landlords, reducing rent burdens on our state's most marginalized and vulnerable populations, and expanding housing access for all. **The ACLU of Oregon urges your support for Senate Bill 722 and asks you to pass it out of committee.**

Respectfully,

Michael Abrams, Policy Counsel

For any questions, please email Jessica Maravilla, Policy Director at jmaravilla@aclu-or.org