
A BILL FOR AN ACT

RELATING TO ANTITRUST.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds and declares that the
2 State is experiencing a severe affordable housing crisis, with
3 the highest median residential rents in the nation. More than
4 half of Hawaii's renter households are housing cost burdened,
5 meaning they spend more than thirty per cent of their income on
6 rent, leaving many families economically vulnerable and at risk
7 of displacement.

8 The legislature further finds that recent national data and
9 enforcement actions indicate that the use of algorithmic
10 property management and pricing software in the residential
11 rental market has contributed to artificially inflated rents. A
12 2024 White House Council of Economic Advisers study titled "The
13 Cost of Anticompetitive Pricing Algorithms in Rental Housing"
14 estimated that, in 2023, coordinated rents from algorithmic
15 pricing cost renters in algorithm-utilizing units \$70 per month,
16 or four per cent of rent, on average nationwide. In six major
17 metropolitan areas, the cost exceeded \$100 per month. The total



1 cost to renters across the country was approximately
2 \$3,800,000,000.

3 The legislature also finds that these software platforms
4 aggregate and analyze competitively sensitive data from multiple
5 competing landlords – including real-time effective rents, lease
6 terms, occupancy rates, and other non-public information – and
7 use shared algorithms to generate pricing recommendations that
8 are widely adopted across the market. This practice undermines
9 independent pricing decisions and facilitates price-fixing among
10 competitors.

11 The legislature additionally finds that, according to a
12 2024 complaint filed by the United States Department of Justice,
13 certain property management software platforms include coercive
14 features that discourage deviation from algorithmically
15 recommended prices, limit rent reductions, and penalize
16 landlords who attempt to price units below algorithmically
17 suggested levels, thereby reinforcing upward pressure on rents.

18 The legislature further finds that one dominant provider of
19 algorithmic property management and pricing software serves
20 clients that collectively control approximately ninety per cent
21 of the investment-grade multifamily rental housing market in the



1 United States. Such market concentration magnifies the
2 anticompetitive effects of shared pricing algorithms and enables
3 rent increases to spread rapidly and uniformly across large
4 segments of the rental housing market. In a geographically
5 isolated market such as Hawaii, the impacts of market
6 consolidation have the potential to dramatically intensify
7 housing insecurity.

8 The legislature also finds that these outcomes exacerbate
9 Hawaii's housing affordability crisis, harm tenants, and
10 threaten fair competition in the residential rental market.

11 Therefore, the purpose of this Act is to prevent
12 artificially inflated rental prices by prohibiting the use of
13 algorithmic price-fixing in Hawaii's rental market.

14 SECTION 2. Chapter 480, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 "§480- Rent price-fixing; declared unlawful; civil
18 actions; public education program. (a) It shall be unlawful
19 and a violation of this chapter for:

20 (1) A coordinator to perform a coordinating function;



1 (2) A coordinator to facilitate an agreement among rental
2 property owners that restricts competition with
3 respect to the pricing, lease terms, or ideal
4 occupancy levels for residential dwelling units; or

5 (3) Two or more rental property owners to engage in
6 consciously parallel pricing coordination.

7 (b) In a civil action filed pursuant to this section, a
8 complaint:

9 (1) Plausibly pleads a violation of section 480-4(a) if
10 the complaint contains factual allegations
11 demonstrating that the existence of a contract,
12 combination in the form of trust or otherwise, or
13 conspiracy in restraint of trade or commerce is among
14 the realm of plausible possibilities; and

15 (2) Need not allege facts tending to exclude the
16 possibility of independent action.

17 (c) The department of the attorney general shall develop
18 and implement a public education program to inform the citizens
19 of the State about this section. A component of the public
20 education program shall include information posted on the
21 website of the department of the attorney general and the steps



1 a consumer may take if the consumer suspects a violation of this
2 section.

3 (d) The department of the attorney general shall adopt
4 rules pursuant to chapter 91 for the purposes of this section.

5 (e) For the purposes of this section:

6 "Consciously parallel pricing coordination" means a tacit
7 agreement between two or more rental property owners to raise,
8 lower, change, maintain, or manipulate pricing for the purchase
9 or sale of reasonably interchangeable products or services.

10 "Coordinating function" means:

11 (1) Collecting historical or contemporaneous prices,
12 supply levels, or lease or rental contract termination
13 and renewal dates of residential dwelling units from
14 two or more rental property owners;

15 (2) Analyzing or processing of the information described
16 in paragraph (1) through use of a system, software, or
17 process that uses computation, including by using the
18 information to train an algorithm; and

19 (3) Recommending rental prices, lease renewal terms, or
20 ideal occupancy levels to a rental property owner.



1 "Coordinator" means any person who operates a software or
2 data analytics service that performs a coordinating function for
3 any rental property owner, including a rental property owner
4 performing a coordinating function for their own benefit.

5 "Residential dwelling unit" means any house, apartment,
6 accessory unit, or other unit intended to be used as a primary
7 residence in the State. "Residential dwelling unit" does not
8 include inpatient medical care, licensed long-term care, or
9 detention or correctional facilities."

10 SECTION 3. Section 480-16, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) Any person who violates section 480-4, 480-6, 480-9,
13 ~~[or]~~ 480-17, or 480- , including any principal, manager,
14 director, officer, agent, servant, or employee, who had engaged
15 in or has participated in the determination to engage in an
16 activity that has been engaged in by any association, firm,
17 partnership, trust, or corporation, which activity is a
18 violation of section 480-4, 480-6, 480-9, ~~[or]~~ 480-17, ~~[is~~
19 ~~punishable if]~~ or 480- , shall be punished as follows in the
20 discretion of the court:



1 (1) If the person is a natural person, by a fine not
2 exceeding \$100,000 or ~~[by]~~ imprisonment not exceeding
3 three years, or ~~[by]~~ both ~~[such fine and imprisonment,~~
4 ~~in the discretion of the court; if];~~ or

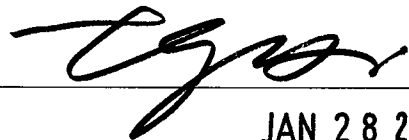
5 (2) If the person is not a natural person ~~[then]~~, by a
6 fine not exceeding \$1,000,000."

7 SECTION 4. This Act does not affect rights and duties that
8 matured, penalties that were incurred, and proceedings that were
9 begun before its effective date.

10 SECTION 5. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 6. This Act shall take effect upon its approval.

13
INTRODUCED BY:



JAN 28 2026



H.B. NO. 2611

Report Title:

AG; Antitrust; Rental Housing; Price-fixing; Public Education Program; Penalties

Description:

Prohibits the use of algorithmic price-setting in Hawaii's rental market. Requires the Department of the Attorney General to develop and undertake a public education program regarding the prohibition. Establishes fines and penalties.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

