

## **Article 8: Housing**

### **Division 11: Prohibition of Anti-Competitive Automated Rent Price-Fixing**

*(“Prohibition of Anti-Competitive Automated Rent Price-Fixing”  
added 5-22-2025 by O-21955 N.S.; effective 6-21-2025.)*

#### **§98.1101 Purpose and Intent**

The purpose and intent of this Division is to protect San Diegans from artificially inflated rental rates and unfair rent increases by prohibiting the sale, licensing, and use of *algorithmic devices*. This Division also provides *tenants* with remedies for violations of this Division.

*(“Purpose and Intent” added 5-22-2025 by O-21955 N.S.; effective 6-21-2025.)*

#### **§98.1102 Definitions**

For purposes of this Division, defined terms appear in italics. The following definitions apply in this Division:

*Algorithmic device* means a software or product that uses or incorporates one or more algorithms to perform calculations of *nonpublic competitor data* of two or more *landlords* to advise a *landlord* on, or recommend to a *landlord*, rental rates or occupancy levels that may be achieved for a *residential rental property* in the City of San Diego. *Algorithmic device* does not include the following:

- (a) A software or product used by a *person* to publish reports regarding rental rates or occupancy levels from aggregated historical *nonpublic competitor data* that is more than 90 days old, or from information available to the general public, and does not recommend rental rates or occupancy levels for future *residential rental property leases* or renewals.
- (b) A software or product used by a *person* to establish rental rates or income limits in accordance with local, state, or federal affordable housing program guidelines.
- (c) A software or product used by a *person* conducting an appraisal that does not recommend rental rates during the runtime operation of the software or product.

*Landlord* has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

*Lease* has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

*Nonpublic competitor data* means information that is not available to the general public, whether the information is attributable to a specific competitor or anonymized or whether the information is derived from or otherwise provided by another *person*. *Nonpublic competitor data* includes information about actual rental rates, rental rate changes, *residential rental property* supply levels, occupancy levels, or *lease* start and end dates.

*Person* has the same meaning as in San Diego Municipal Code section 11.0210, as may be amended.

*Residential rental property* has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

*Tenant* has the same meaning as in San Diego Municipal Code section 98.0702, as may be amended.

(“Definitions” added 5-22-2025 by O-21955 N.S.; effective 6-21-2025.)

### **§98.1103      Use and Sale of Algorithmic Devices Prohibited**

- (a) It is unlawful for a *person* to sell, license, or otherwise provide an *algorithmic device* to a *landlord*.
- (b) It is unlawful for a *landlord* to use an *algorithmic device* to set rental rates or occupancy levels for *residential rental property*.

For each month a violation of section 98.1103(b) exists or continues, and for each *residential rental property* a *landlord* uses an *algorithmic device*, it shall constitute a separate and distinct violation.

(“Use and Sale of Algorithmic Devices Prohibited” added 5-22-2025 by O-21955 N.S.; effective 6-21-2025.)

**§98.1104 Remedies**

- (a) A *tenant* may seek injunctive relief, damages, or civil penalties of up to \$1,000 per violation of this Division, in a civil action against a *landlord*. In an action brought under this Division, a prevailing *landlord* or *tenant* shall recover costs and reasonable attorney's fees. A prevailing *tenant* includes a *tenant* granted an order for injunctive relief. A *lease* provision that limits a *landlord* or *tenant* from recovering attorney's fees shall not be enforceable against a *landlord's* or *tenant's* claim for attorney's fees that arise under this Division.
- (b) The remedies under section 98.1104 are cumulative and are in addition to any other remedies in this Division or at law, statute, or ordinance.
- (c) The City may enforce this Division under Chapter 1, Article 2 of this Code, including civil and criminal remedies.

(“*Remedies*” added 5-22-2025 by O-21955 N.S.; effective 6-21-2025.)