

City of Detroit Detroit City Council Council Alember Angela Whitfield Calloway District 2

MEMORANDUM

TO:	Conrad Mallet, Corporation Counsel	
FROM:	Council Member Angela Whitfield-Calloway	aux
DATE:	January 7, 2025	
RE:	Legal Opinion on the Prohibition of Rental Pricing Software	;

In September 2024, MLIVE published an article regarding ongoing legal proceedings against rental software programs that have been found to use "algorithmic devices" to illegally adjust rental prices in cities across the country. The Federal Trade Commission in a comprehensive legal brief has determined that the use of an algorithm is considered price fixing.

As the City of Detroit transitions into a majority renter city, it is the responsibility of the Council and its State Representatives to protect the rights of residents from the illegal use of tools that fix rental pricing. Cities such as San Francisco, San Jose, San Diego, Philadelphia, and the state of New Jersey have moved legislation prohibiting the use of these algorithms.

Councilwoman Calloway is requesting a legal opinion from the Law Department on the permissibility to prohibit/ban landlords the use of rental pricing software in the City of Detroit.

Please contact our office if you have any questions or concerns – Ramses Dukes, <u>ramses.dukes@detroitmi.gov</u>