



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Amending Chapter 9-800 ("Landlord and Tenant") to add prohibitions and penalties related to anti-competitive rental practices, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 9 of The Philadelphia Code is hereby amended to read as follows:

TITLE 9. REGULATION OF BUSINESSES, TRADES AND PROFESSIONS

* * *

CHAPTER 9-800. LANDLORD AND TENANT

* * *

§ 9-802. Definitions.

* * *

(5) Unfair Rental Practice. Any act in violation of Section 9-804 or Section 9-809.

(6) *Non-Public Competitor Information.* Information that is not available to the general public, including information about actual rent prices, occupancy rates, lease start and end dates, and similar data, regardless whether the information is attributable to a specific competitor or anonymized, and regardless of whether it is derived from or otherwise provided by another person that competes in the same market or a related market.

(7) *Price Coordination.* Engaging in both of the following acts: (a) collecting historical or contemporaneous non-public competitor information concerning prices, price changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates of residential rental units from two or more real estate lessors, whether or not monetary or other valuable consideration is paid to acquire or collect such information; and (b) recommending or suggesting rental prices, fees, rental terms, or occupancy levels to a real estate lessor based on such information, including when such recommendation involves the analysis or processing of information using a computational or algorithmic system, software, or process. Price coordination does not include (i) providing information for the purpose of establishing rent or income limits in accordance with the affordable housing program guidelines of a governmental

entity; or (ii) generation or use of any report, study, or presentation that provides existing rental data in an aggregated manner but does not recommend rent prices, fees, or occupancy rates or other rental contract terms for future leases; or (iii) providing or using information for the purpose of conducting market research for project financing, for the purpose of conducting an appraisal, or for conducting research, testing, and training for software development.

(8) *Real Estate Lessor.* Any individual, corporation, partnership, association, joint-stock company, trust, or unincorporated organization that owns or manages real property, or any agent thereof, who leases or rents such property or any portion of such property as a residential rental unit.

(9) *Residential Rental Unit.* Any house, apartment, accessory unit, or other unit intended to be used as a residence which is offered for lease or rent. A residential rental unit does not include inpatient medical care facilities, licensed long-term care facilities, detention facilities, or correctional facilities.

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§ 9-813. *Anti-Competitive Rental Practices*

(1) *Prohibited conduct.*

(a) *No person shall enter into an agreement with any other person to not compete with respect to rental pricing, fees, or any other rental term for residential rental units in the City.*

(b) *No person shall engage in price coordination for residential rental units in the City, including through the sale, licensure, or provision of any service or product that involves price coordination of residential rental units.*

(c) *No person shall facilitate an agreement between two or more persons to not compete with respect to rental pricing, fees, or any other rental term for residential rental units in the City.*

(d) *No person shall use, subscribe to, or contract or pay for, the services of another person if such services involve price coordination or otherwise encourage or facilitate an agreement with other persons to not compete with respect to any rental term for residential rental units in the City.*

(2) *Enforcement and Remedies.*

(a) *Civil Action by Aggrieved Persons.*

(.1) *Any person who is aggrieved by a violation of this Section may bring a civil action in a court of competent jurisdiction.*

(b) The City.

(.1) The City, through the Law Department, may file an action in the name of the City in any court of competent jurisdiction against any person or persons alleged to have violated this Section, seeking relief under this Section, including remedies for persons aggrieved by the violation.

(c) Remedies.

(.1) In any action filed pursuant to this Chapter, a court may order the following:

(.a) Injunctive relief and such other equitable relief, as appropriate.

(.b) Damages.

(i) A private plaintiff is entitled to three times the value of actual damages sustained or, in the alternative, if the plaintiff elects before judgment is rendered, statutory damages of \$2,000 per violation, with the number of violations calculated as described in Subsection (2)(c)(.1)(.c).

(ii) In cases filed by the City, persons aggrieved shall be entitled to actual damages or, in the alternative, if the City elects before judgment is rendered, statutory damages of \$1,000 per violation, with the number of violations calculated as described in Subsection (2)(c)(.1)(.c).

(iii) Damages may be proved and assessed in the aggregate by statistical or sampling methods, by the computation of unlawful overcharges, or by such other reasonable system of estimating aggregate damages as the court in its discretion may award, without the necessity of separately proving the individual claim of, or amount of damage to, persons on whose behalf the suit was brought.

(.c) In an action filed by the City, civil penalties of \$2,000 per violation. Each prohibited action under this Section is counted as a separate violation for every day it occurs or continues. Additionally, violations are counted separately for each affected residential rental unit in the City, meaning each unit for which prohibited conduct directly influences the price or terms on which it is advertised, offered, rented, or leased.

(.d) Interest on actual damages for the period beginning with the date of service of the initial pleading in an action filed pursuant to this Section and ending on the date of judgment.

(.e) Reasonable attorney's fees and costs.

(3) Statute of limitations. A claim for a violation of this Section must be filed in court within four years of the date when a reasonably diligent person should have discovered that such violation occurred.

SECTION 2. This Ordinance shall take effect 90 days after it is adopted into law.

Explanation:

Italics indicate new matter added.