

**PUBLIC NOTICE
CITY OF JERSEY CITY
Ord. 25-057**

AMENDING AND SUPPLEMENTING CHAPTER 218 (MULTIPLE DWELLINGS), OF THE CODE OF ORDINANCES OF THE CITY OF JERSEY CITY BY ADDING NEW SECTION 12, ENTITLED “PREVENTING ALGORITHMIC RENT-FIXING IN THE RENTAL HOUSING MARKET”

Ordinance Amending and Supplementing Chapter 218 (Multiple Dwellings), if the Code of Ordinances of the City of Jersey City by Adding New Section 12, Entitled “Preventing Algorithmic Rent-Fixing in the Rental Housing Market”

Whereas, Jersey City has seen an immense amount of development over the last two decades and has seen immense increases in property values;

Whereas, Jersey City is facing an affordability crisis with rents increasing dramatically annually and thousands of residents receiving eviction notices;

Whereas, across the country, including in Jersey City, landlords are using software algorithms and other information exchanges between competitors to raise rents, artificially constrain supply, and further exacerbate the housing crisis;

Whereas, corporations sell software or access to information exchanges that promises to boost landlord profits by 1) collecting sensitive data from landlords across regional housing markets and 2) processing sensitive data and public data to recommend rent increases and create artificial scarcity by leaving a certain percentage of housing units vacant;

Whereas, the problem is exacerbated by a trend toward consolidation primarily in local rental housing markets, as more units wind up in the hands of large, institutional landlords and rental property managers;

Whereas, access to affordable housing and fair and transparent rental housing prices is a critical issue for the residents of Jersey City;

Whereas, by adopting Preventing Algorithmic Rent Fixing in the Rental Housing Market, the city can further its commitment to keeping Jersey City affordable and fair.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JERSEY CITY THAT: that Chapter 218 (Fees and Charges) of the Municipal Code shall be

amended by adding subsection 12 (Preventing Algorithmic Rent-Fixing in the Rental Housing Market) which reads as follows:

§218-12 Preventing Algorithmic Rent Fixing in the Rental Housing Market:

1. Definitions

a. The following terms, as used in this ordinance, shall have the following meanings:

- i. **“Coordinate” or “coordinating”** mean, with respect to a service provider, collecting of historical or contemporaneous prices, price changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates of residential dwelling units from two or more real estate lessors or from public databases;
 1. analyzing or processing of the information described in subparagraph (1)(a)(i) using a system, software, or process that uses computation; and
 2. recommending rental prices, lease terms, or occupancy levels to a real estate lessor.
 3. Licensed Real Estate Agents are not included in this definition so long as they are operating in accordance with all applicable state regulations.
- ii. **“Person”** means any natural person, corporation, partnership, limited liability company, firm, or association.
- iii. **“Residential dwelling unit”** means any house, apartment, accessory unit, or other unit intended to be used as a person’s primary residence; and does not include inpatient medical care, licensed long-term care, and detention or correctional facilities.
- iv. **“Real estate lessor”** means any individual, corporation, partnership, association, joint-stock company, trust, or unincorporated organization that owns real property and leases such property or any portion thereof in the form of a residential dwelling unit.

- v. **“Service provider”** means any person that performs a coordination function, as defined in Section 1(a)(i)(1) of this Act, for any real estate lessor or rentor.

- 1. Licensed Real Estate Agents are not included in this definition so long as they are operating in accordance with all applicable state regulations.

2. Unlawful Conduct

- a. It is unlawful for any real estate lessor, agent, or subcontractor thereof, to subscribe to, contract with, or otherwise exchange anything of value in return for the services of a service provider.
- b. No service provider shall facilitate an agreement not to compete among real estate lessors with respect to any aspect of residential dwelling units, including rental pricing, fees, or any other rental terms.

3. Enforcement

- a. **Public Enforcement.** The Attorney General or any municipal or county attorney may bring a civil action, as parens patriae, in any court of competent jurisdiction, to secure relief as provided in this section for injury sustained by natural persons to their property by reason of a violation of this chapter.
 - i. **City administration:** The Office of Landlord-Tenant Affairs and Office of Code Compliance will be empowered to enforce this section.
 - 1. Persons (including residents) who have evidence that a landlord is using a service provider or is in any way violating the terms of this section report this to the Office of Landlord/Tenant Relations, which will compile said complaints.
 - 2. The Office of Landlord/Tenant Relations is empowered to cooperate with the Office of Code Compliance to investigate such complaints or refer them for prosecution to the municipal prosecutor, Attorney General, or other appropriate law enforcement offices.
- b. **Private Right of Action.** Any person who is injured by a violation of this chapter may sue in any court of competent jurisdiction in the county where the defendant

resides or is found, or any agent of the defendant resides or is found, or where service may be obtained, without respect to the amount in controversy.

c. Violations and Penalties:

- i. A first violation of § 218-12 shall be punishable as provided in Chapter 1, General Provisions, Art. I, § 1-25. Subsequent violations shall be punished by a fine of not less than \$100 and up to \$2000, as provided in Chapter 1, General Provisions, Art. I, § 1-25. Each day during which an owner is in violation of § 218-12 shall constitute a separate violation hereunder.

- d. **Attorneys Fees and Costs.** In the case of any successful action to enforce liability pursuant to this Act, the court shall award plaintiff the costs of the action together with reasonable attorney fees as determined by the court. Costs and attorney fees shall be awarded to the attorney general or a city, county, or district attorney in all actions where the attorney general or the city, county, or district attorney successfully enforces this article.

4. **Severability.** If any provision of this ordinance or application thereof to any person(s) or circumstances is judged invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of the ordinance that can be given effect without the invalidated provision or application and to this end the provisions of this ordinance are declared severable.

§ 218-~~12~~13. - Exempt dwellings.

No changes

§ 218-~~13~~14. - Occupancy required.

No changes

§ 218-~~14~~15. - Extension of time period.

No Changes

§ 218-~~15~~16. - Violations and penalties

No Changes

§ 218-~~16~~17. - Conflicts with state law.

No Changes

§ 218-17~~18~~. - Findings.

No Changes

§ 218-18~~19~~. - Seating requirements.

PUBLIC NOTICE CITY OF JERSEY CITY

NOTICE IS HEREBY GIVEN that the foregoing proposed ordinance was introduced and passed on First Reading at a meeting of the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey, held on **Wednesday, May 7, 2025** and that said ordinance will be taken up for further consideration for final passage at a meeting of said Municipal Council to be held in the Anna and Anthony R. Cucci Memorial Council Chambers 280 Grove Street Jersey City, New Jersey on **Wednesday, May 21, 2025 at 6:00 p.m.** or as soon thereafter as said matter can be reached, at which time and place all persons who may be interested therein will be given the opportunity to be heard concerning the same. A copy of this ordinance has been posted on the bulletin board upon which public notices are customarily posted on in City Hall in the City of Jersey City, and a copy is available up to and including the time of such meeting to the members of the public who shall request such copies, at the Office of the City Clerk, in said City Hall, in Jersey City, New Jersey.

By order of the Municipal Council of the City of Jersey City

Insert Date: Tuesday, May 13, 2025

Account #: 1510902

/S/Sean J. Gallagher

City Clerk

The City of Jersey City

County of Hudson

State of New Jersey