

Economic Impact Statement

Office of Legislative Oversight

BILL 45-20 Police – Community Policing – Data

SUMMARY

The Office of Legislative Oversight (OLO) believes that enacting Bill 45-20 would have no direct economic impacts on private organizations or residents in the County.

BACKGROUND

Enacting Bill 45-20 would change the requirements for the annual reports that the Montgomery County Department of Police (MCPD) submits to the County Executive and Council. Under existing law, one of the requirements for the annual reports is to include demographic information on individuals who have been detained by MCPD. Bill 45-20 would require that the annual reports include demographic information on individuals “stopped (including a stop and frisk that does not result in a citation or arrest), searched, cited, arrested, or the subject of a use of force incident.”¹ Bill 45-20 would also require MCPD to post certain datasets on Data Montgomery, which would include race and ethnicity data regarding use of force incidents, field interview reports, juvenile citations, criminal citations (including trespassing citations), alcohol beverage violations, possession of marijuana violations less than 10 grams, and smoking of marijuana in public places.²

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Policing practices can create economic impacts for individuals and private organizations. It is possible that the new reporting requirements could alter MCPD stops, searches, citations, arrests, and use of force incidents and the economic impacts associated with these practices. To illustrate, a decrease in these practices due to greater scrutiny would, in turn reduce the economic costs for individuals who would otherwise be targeted (i.e., preventing time away from work and reducing bail costs). A decrease in these policing practices could also impact crime rates – either reducing or increasing rates depending on their effectiveness – and, in turn, the economic costs associated with crime. While OLO acknowledges the possibility that reporting requirements could indirectly change policing behavior by MCPD officers, the direction and secondary economic effects of this potential change are well beyond the scope of an economic impact analysis.

No methodologies were used in this statement. The assumptions underlying the claims made in the subsequent sections are based on the judgment of OLO staff.

¹ Montgomery County Council, Bill 45-20, Police – Community Policing Data – Data, Introduced on November 17, 2020, Montgomery County, Maryland, 3.

² Ibid, 4.

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VARIABLES

The variables that could affect the economic impacts of enacting Bill 45-20 are the following:

- number of stops, searches, citations, arrests, and use of force incidents; and
- crime rates.

IMPACTS

WORKFORCE ▪ **TAXATION POLICY** ▪ **PROPERTY VALUES** ▪ **INCOMES** ▪ **OPERATING COSTS** ▪ **PRIVATE SECTOR CAPITAL INVESTMENT** ▪ **ECONOMIC DEVELOPMENT** ▪ **COMPETITIVENESS**

Businesses, Non-Profits, Other Private Organizations

OLO believes that Bill 45-20 would have no direct impacts on private organizations in the County in terms of the Council's priority indicators, namely workforce, operating costs, capital investments, property values, taxation policy, economic development and competitiveness.³

Residents

OLO believes that Bill 45-20 would have no direct impacts on County residents in terms of the Council's priority indicators.

QUESTIONS FOR CONSIDERATION

OLO does not recommend any questions regarding the economic impacts of Bill 45-20 for the Council to consider.

WORKS CITED

Montgomery County Council. Bill 10-19, Legislative Branch – Economic Impact Statements – Amendments. Enacted on July 30, 2019. Montgomery County, Maryland.

Montgomery County Council. Bill 45-20, Police – Community Policing – Data. Introduced on November 17, 2020. Montgomery County, Maryland.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative

³ For the Council's priority indicators, see Montgomery County Council, Bill 10-19 Legislative Branch – Economic Impact Statements – Amendments, Enacted on July 30, 2019, Montgomery County, Maryland, 3.

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CAVEATS (cont.)

process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) drafted this economic impact statement.