

**MEMORANDUM**

January 27, 2025

**TO:** Government Operations and Fiscal Policy (GO) Committee

**FROM:** Christine Wellons, Chief Legislative Attorney  
Jim Ogorzalek, Legislative Attorney

**SUBJECT:** Bill 25-24, Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement

**PURPOSE:** Worksession – recommendation expected

**Invited Attendees:**

Ash Shetty, Director, Office of Procurement  
Grace Denno, Compliance Division Chief, Office of Procurement

Bill 25-24, Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement, was introduced on October 29, 2024. Its Lead Sponsor is Councilmember Luedtke, and its co-sponsors are then-Council President Friedson, then-Council Vice-President Stewart, and Councilmembers Katz, Glass, Jawando, Albornoz, and Sayles. A public hearing occurred on December 3, 2024.

As introduced, Bill 25-24 would:

- (1) require procurement bids and proposals to include certifications of compliance with human trafficking laws;
- (2) prohibit County contractors and subcontractors from violating human trafficking laws;
- (3) require County contractors and subcontractors to make certain disclosures regarding human trafficking charges, claims, or violations;
- (4) authorize debarment and other remedies for noncompliance with the law; and
- (5) generally amend the County law regarding procurement and human trafficking.

**BACKGROUND**

Chapter 11B of the County Code implements Sections 313 and 314 of the Charter, which provide for a centralized system of procurement of goods, services and construction under the

professional supervision of the Chief Administrative Officer subject to the direction of the County Executive.

As explained by the Lead Sponsor, the purpose of Bill 25-24 is to amend Chapter 11B to prohibit the County from working with contractors or subcontractors found to have violated state or federal human trafficking laws and establish meaningful penalties for active contractors found in violation of these laws, including debarment, suspension, contract termination, and/or breach of contract damages.

### **BILL SPECIFICS**

As originally introduced, Bill 25-24 would add a new section to Chapter 11B {Contracts and Procurement} requiring each bid or proposal submitted to the County to certify that the bidder or offeror has not been found, by an administrative or judicial body, to have violated a federal or state law against human trafficking.

The subsequent contract would explicitly require the contractor and any subcontractor: (1) to comply with all federal and state laws against human trafficking; (2) if the contractor or subcontractor is charged with a criminal offense, or subject to a civil claim, involving human trafficking, to notify the Director of Procurement in writing within three days after receiving notification of the charge or claim; and (3) if the contractor or subcontractor is found by an administrative or judicial body to have violated a law against human trafficking, or to have liability related to human trafficking, to notify the Director in writing within three days after receiving notification of the finding.

In terms of enforcement, the bill would require the Director, within three days after receiving a notification of a charge, claim, or finding by a judicial or administrative body, to transmit a copy of the notification to the Executive and the Council. If the Director finds that a contractor or subcontractor has failed to comply with the requirements of the Section, the Director would be required to pursue remedies under the terms of the contract and Chapter 11B, which may include termination of the contract and debarment.

### **SUMMARY OF IMPACT STATEMENTS**

**Fiscal impact.** According to the Office of Management and Budget, “The bill is not expected to impact County revenue or expenditures.”

**Racial equity and social justice.** “The Office of Legislative Oversight (OLO) finds the anticipated impact of Bill 25-24 on racial equity and social justice (RESJ) is indeterminant. Black, Indigenous, and Other People of Color (BIPOC) are disproportionately impacted by human trafficking. However, it is unknown how addressing human trafficking through local procurement as proposed in Bill 25-24 will affect human trafficking in the County more broadly and racial disparities in human trafficking specifically.”

**Economic impact.** “The Office of Legislative Oversight (OLO) anticipates that Bill 25-24 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators.”

**Climate assessment.** The Office of Legislative Oversight (OLO) anticipates Bill 25-24 will have no impact as the proposed changes apply to County procurement processes that do not impact the County’s contribution to addressing climate change.

#### **SUMMARY OF PUBLIC TESTIMONY**

The Council received testimony in support of Bill 25-24.

**Montgomery County Human Trafficking Prevention Committee:** “Bill 25-24 is a significant step in the county’s ongoing fight against human trafficking. It reflects our county’s values and commitment to justice and human dignity. We strongly support this bill and encourage the council to ensure its successful implementation by providing the necessary resources.”

**University of Maryland SAFE Center for Human Trafficking Survivors:** “The passage of this legislation would make Montgomery County a leader among local governments in the fight against human trafficking, and we commend the approach taken in this legislation.”

#### **ISSUES FOR THE COMMITTEE’S CONSIDERATION**

The Committee might wish to consider the following issues and potential amendments in connection with the bill.

##### **1. Potential Amendments – Scope of the Bill**

As originally drafted, the bill’s requirements would apply to any “contract between the County and a bidder or offeror in response to an invitation to bid or request for proposals.”

Lead Sponsor Councilmember Luedtke has proposed expanding the scope of the bill to include all County contracts above the dollar threshold for IFBs and RFPs (presently set by regulation at a total contract value of \$100,000 or more). This would ensure that the mandatory contractual terms under the bill apply to all large County contracts – including non-competitive contracts – rather than limiting the bill based upon the procurement source selection method. In addition, each contract would include a certification that the contractor has not been found by an administrative or judicial body to have violated laws against human trafficking.

Councilmember Luedtke’s amendments:

*Delete lines 5-6. Amend lines 14-30 to read as follows.*

**(b) Bidding and proposal requirement. Each bid or proposal submitted to the County [[under this Chapter]] in response to an invitation for bids or request for proposals**

must certify that the bidder or offeror has not been found, by an administrative or judicial body, to have violated a federal or state law against human trafficking.

(c) Contractual requirements. A contract valued above the threshold for an invitation for bids or request for proposals must require the contractor and any subcontractor:

(1) to comply with all federal and state laws against human trafficking;

(2) to certify that the contractor has not been found, by an administrative or judicial body, to have violated a federal or state law against human trafficking;

[[~~(2)~~]] (3) if the contractor or subcontractor is charged with a criminal offense, or subject to a civil claim, involving human trafficking, to notify the Director in writing within 3 days after receiving notification of the charge or claim; and

[[~~(3)~~]] (4) if the contractor or subcontractor is found by an administrative or judicial body to have violated a law against human trafficking, or to have liability related to human trafficking, to notify the Director in writing within 3 days after receiving notification of the finding.

## 2. **Potential Amendment – Responsibilities of the Office of Procurement**

The Lead Sponsor also supports the following amendment, which would clarify that the Office of Procurement must pursue remedies against the contractor if the contractor makes a false certification or is found by a judicial or administrative body to have violated human trafficking laws. The Office would not be expected to take remedial actions, such as termination or debarment, based solely upon initial charges or claims.

*Amend lines 31-38 as follows.*

(d) Enforcement.

\* \* \*

(2) If the Director finds that a contractor or subcontractor failed to comply with the requirements of paragraphs (c)(1) and (c)(4) [[this Section]] or made a

false certification under subsections (b) or (c), the Director must pursue remedies under the terms of the contract and this Chapter, which may include termination of the contract and debarment.

3. **Potential Amendment – Clarification of Language**

The Office of the County Attorney has suggested the following clarifying amendment, with which the Lead Sponsor and Council staff agree.

*Amend lines 41-75 as follows.*

(c) *Causes for debarment or suspension.* The causes for debarment or suspension may include:

\* \* \*

(9) finding by an administrative or judicial body of a violation of Subtitle 4 {Wages and Hours} of Title 3 of the Labor and Employment Article of the Maryland Code, as amended; or

\* \* \*

<u>This packet contains:</u>	<u>Circle #</u>
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Bill No. 25-24  
Concerning: Contracts and Procurement  
- Prohibition Against Human  
Trafficking - Enforcement  
Revised: 10/29/2024 Draft No. 3  
Introduced: October 29, 2024  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Councilmember Luedtke  
Co-sponsors: then-Council President Friedson, then-Council Vice President Stewart, and  
Councilmembers Katz, Glass, Jawando, Alborno, and Sayles

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**AN ACT** to:

- (1) require procurement bids and proposals to include certifications of compliance with human trafficking laws;
- (2) prohibit County contractors and subcontractors from violating human trafficking laws;
- (3) require County contractors and subcontractors to make certain disclosures regarding human trafficking charges, claims, or violations;
- (4) authorize debarment and other remedies for noncompliance with the law; and
- (5) generally amend the County law regarding procurement and human trafficking.

By amending

Montgomery County Code  
Chapter 11B, Contracts and Procurement  
Sections 11B-33D and 11B-37

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1           **Sec. 1. Sections 11B-33D and 11B-37 are amended as follows:**

2   **11B-33D. [Reserved] Prohibition Against Human Trafficking.**

3           (a)   Definitions. For purposes of this Section, the following terms have the  
4                   meanings indicated.

5                   Contract means a contract between the County and a bidder or offeror in  
6                   response to an invitation to bid or request for proposals.

7                   Human trafficking has the meanings stated under state and federal law.

8                   Human trafficking includes the offenses stated under:

9                   (1)   Sections 3-1102 {Sex trafficking} and 3-1202 {Labor trafficking}  
10                   of the Criminal Law Article of the Maryland Code, as amended;  
11                   and

12                   (2)   Chapter 77 {Peonage, Slavery, and Trafficking in Persons} of Part  
13                   I of Title 18 of the United States Code, as amended.

14           (b)   Bidding and proposal requirement. Each bid or proposal submitted to  
15                   the County under this Chapter must certify that the bidder or offeror has  
16                   not been found, by an administrative or judicial body, to have violated  
17                   a federal or state law against human trafficking.

18           (c)   Contractual requirements. A contract must require the contractor and  
19                   any subcontractor:

20                   (1)   to comply with all federal and state laws against human  
21                   trafficking;

22                   (2)   if the contractor or subcontractor is charged with a criminal  
23                   offense, or subject to a civil claim, involving human trafficking,  
24                   to notify the Director in writing within 3 days after receiving  
25                   notification of the charge or claim; and

26 (3) if the contractor or subcontractor is found by an administrative  
27 or judicial body to have violated a law against human trafficking,  
28 or to have liability related to human trafficking, to notify the  
29 Director in writing within 3 days after receiving notification of  
30 the finding.

31 (d) Enforcement.

32 (1) Within 3 days after receiving a notification under subsection (c),  
33 the Director must transmit a copy of the notification to the  
34 Executive and the Council.

35 (2) If the Director finds that a contractor or subcontractor failed to  
36 comply with the requirements of this Section, the Director must  
37 pursue remedies under the terms of the contract and this Chapter,  
38 which may include termination of the contract and debarment.

39 **11B-37. Debarment or suspension.**

40 \* \* \*

41 (c) *Causes for debarment or suspension.* The causes for debarment or  
42 suspension may include:

43 (1) conviction for commission of a criminal offense incident to  
44 obtaining or attempting to obtain a public or private contract or  
45 subcontract, or in the performance of the contract or subcontract;

46 (2) conviction of embezzlement, theft, forgery, bribery, falsification  
47 or destruction of records, receiving stolen property, kickbacks or  
48 any other offense indicating a lack of business integrity;

49 (3) conviction under state or federal antitrust statutes arising out of  
50 the submission of bids or proposals;



- 51 (4) violation of County contract provisions of a character which is  
 52 regarded by the Director to be so serious as to justify debarment  
 53 action. These provisions may include:
- 54 (A) deliberate failure without good cause to perform under the  
 55 specifications or within the time limit provided in the  
 56 contract; or
- 57 (B) a record of failure to perform or of unsatisfactory  
 58 performance under the provisions of one or more  
 59 contracts; however, failure to perform or unsatisfactory  
 60 performance caused by acts beyond the control of the  
 61 contractor are not a basis for debarment;
- 62 (5) violation of the wage requirements in Section 11B-33A;
- 63 (6) any other serious cause the Director determines to be so  
 64 compelling as to affect the competency or integrity of a potential  
 65 contractor, including debarment by another public entity; [or]
- 66 (7) violation of Section 11B-33D;
- 67 (8) conviction, plea of nolo contendere, or sentencing for a criminal  
 68 offense involving human trafficking, including offenses under:
- 69 (A) Sections 3-1102 {Sex trafficking} and 3-1202 {Labor  
 70 trafficking} of the Criminal Law Article of the Maryland  
 71 Code, as amended; and
- 72 (B) Chapter 77 {Peonage, Slavery, and Trafficking in Persons}  
 73 of Part I of Title 18 of the United States Code, as amended.
- 74 (9) violation of Subtitle 4 {Wages and Hours} of Title 3 of the Labor  
 75 and Employment Article of the Maryland Code, as amended; or

76 [(7)] (10) violation of the ethical standards set forth in this Chapter  
77 or Chapter 19A.

78 \* \* \*

79 (f) *Appeal to court.* The debarred or suspended person may appeal the  
80 decision to debar or suspend to the Circuit Court under the Maryland  
81 Rules governing administrative appeals. The debarred or suspended  
82 person and the County may appeal the decision of the Circuit Court to  
83 the [Court of Special Appeals] Appellate Court of Maryland.




**MONTGOMERY COUNTY COUNCIL**  
ROCKVILLE, MARYLAND

DAWN LUEDTKE  
COUNCILMEMBER  
DISTRICT 7

**MEMORANDUM**

October 22, 2024

**TO:** Councilmembers

**FROM:** Councilmember Dawn Luedtke 

**SUBJECT:** Bill 25-24, Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement

Dear Colleagues,

On October 29, I will introduce Bill 25-24, Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement. This bill would prohibit the County from working with contractors or subcontractors found to have violated state or federal human trafficking laws and establish meaningful penalties for active contractors found in violation of these laws, including debarment, suspension, contract termination, and/or breach of contract damages.

Human trafficking in its many forms continues to impact our region. Forced labor and child labor are forms of human trafficking that we can take action to prevent and draw attention to through the County’s procurement process. The language of Bill 25-24 is adapted from a July U.S. Government Accountability Office report detailing the risks of human trafficking and role of government contractors in preventing it<sup>1</sup>. The Bill mirrors a recently approved Prince George’s County law.<sup>2</sup>

I developed this legislation in consultation with the Montgomery County Human Trafficking Prevention Committee, on which I sit as the Council’s representative. I have also received positive feedback from Office of Procurement Director Ash Shetty about his team’s ability to enforce the measure.

This legislation gives us an opportunity to be a leader among state and local governments. Bill

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<sup>1</sup> <https://www.gao.gov/assets/gao-24-106973.pdf>

<sup>2</sup>

<https://www.princegeorgescountymd.gov/departments-offices/news-events/news/prince-georges-county-becomes-first-county-us-pass-groundbreaking-legislation-aimed-combating-human>

Bill 25-24 underscores our County's commitment to preventing human trafficking in all its forms and in all areas that we can directly control. It also can serve as an important reminder and example of the dangers of labor trafficking when it comes to labor activity outside of the County Government's control.

Thank you for your attention and please do not hesitate to reach out if you have any questions.

Cc: Caven West, Executive Director  
Christine Wellons, Chief Legislative Attorney  
Tara Clemons-Johnson, Legislative Analyst



# Fiscal Impact Statement

Office of Management and Budget

## Bill 25-24

## Contracts and Procurement - Prohibition Against Human Trafficking - Enforcement

### Bill Summary

Bill 25-24 would require procurement bids and proposals to include certifications of compliance with human trafficking laws; prohibit County contractors and subcontractors from violating human trafficking laws; require County contractors and subcontractors to make certain disclosures regarding human trafficking charges, claims, or violations; authorize debarment and other remedies for noncompliance with the law; and generally amend the County law regarding procurement and human trafficking.

### Fiscal Impact Summary

The bill is not expected to impact County revenue or expenditures.

Fiscal Year	2026	2027	2028	2029	2030	2031	Total
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

### Fiscal Impact Analysis

The bill is not expected to impact County revenue or expenditures.

### Staff Impact

The verification process will be incorporated into the procurement procedure prior to awarding of the contract. Estimating the amount of staff time required for this task is challenging, but may take two hours to verify each contract award.

### Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

### Information Technology Impact

The bill is not expected to impact the County Information Technology (IT).

### Other Information

*Later actions that may impact revenue or expenditures if future spending is projected*

The bill does not authorize future spending.

*Sources of information*

Office of Procurement

*Contributors*

Ash Shetty, Director, Office of Procurement  
Grace Denno, Division Chief, Office of Procurement  
Mahnoor Anjum, Fiscal and Policy Analyst, Office of Management and Budget



# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## **BILL 25-24: CONTRACTS AND PROCUREMENT - PROHIBITION AGAINST HUMAN TRAFFICKING - ENFORCEMENT**

### **SUMMARY**

The Office of Legislative Oversight (OLO) finds the anticipated impact of Bill 25-24 on racial equity and social justice (RESJ) is indeterminant. Black, Indigenous, and Other People of Color (BIPOC) are disproportionately impacted by human trafficking. However, it is unknown how addressing human trafficking through local procurement as proposed in Bill 25-24 will affect human trafficking in the County more broadly and racial disparities in human trafficking specifically.

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### **PURPOSE OF RESJ IMPACT STATEMENTS**

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social inequities that have caused racial and social disparities.<sup>2</sup>

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### **PURPOSE OF BILL 25-24**

According to Polaris – a national nonprofit that works to end human trafficking – “U.S. law defines human trafficking as the use of force, fraud, or coercion to compel a person into commercial sex acts or labor against their will.”<sup>3</sup> The International Labor Organization estimates that 27 million people worldwide are survivors of human trafficking.<sup>4</sup> In the United States, the Human Trafficking Hotline has identified nearly 200,000 victims of human trafficking since its inception in 2007.<sup>5</sup> Significant risk factors for human trafficking include “recent migration or relocation, substance use, mental health concerns, involvement with the child welfare system and being a runaway or homeless youth.”<sup>6</sup>

The purpose of Bill 25-24 is to “prohibit the County from working with contractors or subcontractors found to have violated state or federal human trafficking laws.”<sup>7</sup> If enacted, Bill 25-24 would:<sup>8</sup>

- Require bidders and offerors to County procurement opportunities to certify they have not violated laws against human trafficking;
- Require County contracts to include language explicitly requiring contractors and subcontractors to comply with laws against human trafficking;
- Require contractors and subcontractors to notify the Director of Procurement if they have a criminal charge or civil claim related to human trafficking or if they are found to have violated a law or have a liability related to human trafficking; and
- Require the Director of Procurement to pursue remedies if they find that a contractor or subcontractor has failed to comply with these requirements, which can include termination of the contract or debarment.

The Council introduced Bill 25-24, Contracts and Procurement - Prohibition Against Human Trafficking – Enforcement, on October 29, 2024.

# RESJ Impact Statement

## Bill 25-24

### ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 25-24 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

**For the first question,** OLO considered the demographics of survivors of human trafficking. If Bill 25-24 works as intended, it could prevent local procurement dollars from funding activities related to human trafficking. This in turn could benefit survivors of human trafficking.

The demographics of local survivors of human trafficking are unknown, including by race and ethnicity. However, national data suggests that BIPOC are disproportionately victimized by human trafficking. One national study of human trafficking incidents between 2008 and 2010 found that 40 percent of sex trafficking victims were Black, while 63 percent and 17 percent of labor trafficking victims were Latinx and Asian.<sup>9,10</sup> As acknowledged by the U.S. Department of State, racial disparities in human trafficking are rooted in a legacy of racial inequity, including ingrained racial stereotypes that were “created as a way to dehumanize [BIPOC] to justify their exploitation and exclusion.”<sup>11</sup>

**For the second question,** OLO considered how Bill 25-24 could improve racial inequities and disparities in human trafficking. The Office of Procurement does not have data to understand the extent to which current and former contractors and subcontractors have had human trafficking violations that Bill 25-24 aims to address. Further, addressing human trafficking through local procurement is a relatively new approach that was first adopted in Prince George’s County in 2024.<sup>12</sup> Thus, it is unknown how effective these policies are in reducing human trafficking more broadly and racial disparities in human trafficking specifically. However, one recent study of human trafficking requirements in federal procurement by the U.S. Government Accountability Office (GAO) suggests there are issues with federal agencies enforcing these policies.<sup>13</sup>

OLO finds the anticipated impact of Bill 25-24 on RESJ is indeterminant. BIPOC are disproportionately impacted by human trafficking. However, it is unknown how addressing human trafficking through local procurement as proposed in Bill 25-24 will affect human trafficking in the County more broadly and racial disparities in human trafficking specifically.

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### RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>14</sup> OLO finds the anticipated impact of Bill 25-24 on RESJ is indeterminant. As such, OLO does not offer recommended amendments.

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### CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than 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.

# RESJ Impact Statement

## Bill 25-24

### CONTRIBUTIONS

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

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<sup>1</sup> Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

<sup>2</sup> Ibid.

<sup>3</sup> “[Understanding Human Trafficking](#),” Polaris.

<sup>4</sup> “[About Human Trafficking](#),” U.S. Department of State.

<sup>5</sup> “[National Statistics](#),” National Human Trafficking Hotline.

<sup>6</sup> “[Myths, Facts, and Statistics](#),” Polaris.

<sup>7</sup> [Introduction Staff Report for Bill 25-24](#), Montgomery County Council, Introduced October 29, 2024.

<sup>8</sup> Ibid.

<sup>9</sup> “[Characteristics of Human Trafficking Incidents, 2008-2010](#),” Bureau of Justice Statistics, April 28, 2011.

<sup>10</sup> By comparison, 13 percent of the U.S. population in 2010 was Black, 16 percent was Latinx, and 5 percent was Asian. Refer to “[Overview of Race and Hispanic Origin: 2010](#),” 2010 Census Briefs, U.S. Census Bureau, March 2011.

<sup>11</sup> “[Acknowledging Historical and Ongoing Harm: The Connections Between Systemic Racism and Human Trafficking](#),” Office to Monitor and Combat Trafficking in Persons, U.S. Department of State, July 1, 2021.

<sup>12</sup> “[Prince George's County Becomes First County in U.S. to Pass Groundbreaking Legislation Aimed at Combating Human Trafficking](#),” Prince George’s County, July 2024.

<sup>13</sup> “[Human Trafficking: Agencies Need to Adopt a Systematic Approach to Manage Risks in Contracts](#),” U.S. Government Accountability Office, July 30, 2024.

<sup>14</sup> Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council



# Economic Impact Statement

Montgomery County, Maryland

## Bill 25-24                      Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 25-24 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators.

### BACKGROUND AND PURPOSE OF BILL 25-24

According to Polaris – a national nonprofit that works to end human trafficking – “U.S. law defines human trafficking as the use of force, fraud, or coercion to compel a person into commercial sex acts or labor against their will.”<sup>1</sup> The International Labor Organization estimates that 27 million people worldwide are survivors of human trafficking.<sup>2</sup> In the United States, the Human Trafficking Hotline has identified nearly 200,000 victims of human trafficking since its inception in 2007.<sup>3</sup> Significant risk factors for human trafficking include “recent migration or relocation, substance use, mental health concerns, involvement with the child welfare system and being a runaway or homeless youth.”<sup>4</sup>

The purpose of Bill 25-24 is to “prohibit the County from working with contractors or subcontractors found to have violated state or federal human trafficking laws.”<sup>5</sup> If enacted, Bill 25-24 would:<sup>6</sup>

- Require bidders and offerors to County procurement opportunities to certify that they have not violated laws against human trafficking;
- Require County contracts to include language explicitly requiring contractors and subcontractors to comply with laws against human trafficking;
- Require contractors and subcontractors to notify the Director of Procurement if they have a criminal charge or civil claim related to human trafficking or if they are found to have violated a law or have a liability related to human trafficking; and

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<sup>1</sup> [“Understanding Human Trafficking,”](#) Polaris.

<sup>2</sup> [“About Human Trafficking,”](#) U.S. Department of State.

<sup>3</sup> [“National Statistics,”](#) National Human Trafficking Hotline.

<sup>4</sup> [“Myths, Facts, and Statistics,”](#) Polaris.

<sup>5</sup> Montgomery County Council, [“Introduction Staff Report for Bill 25-24,”](#) October 29, 2024.

<sup>6</sup> Ibid.

- Require the Director of Procurement to pursue remedies if they find that a contractor or subcontractor has failed to comply with these requirements, which can include termination of the contract or debarment.

The Council introduced Bill 25-24, Contracts and Procurement - Prohibition Against Human Trafficking – Enforcement, on October 29, 2024.

## **INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS**

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess the impacts of Bill 25-24 on County-based private organizations and residents in terms of the Council’s priority economic indicators and whether the Bill would likely result in a net positive or negative impact on overall economic conditions in the County.<sup>7</sup>

The RESJ statement for the Bill notes the lack of data on the extent to which current and former contractors and subcontractors in the County have violated human trafficking laws.<sup>8</sup> Without this data, OLO finds no evidence to suggest that local firms are more likely than external firms to face termination for such violations. For this reason, OLO anticipates that the Bill would have an insignificant impact on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

## **VARIABLES**

Not applicable

## **IMPACTS**

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

Not applicable

## **DISCUSSION ITEMS**

Not applicable

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<sup>7</sup> [“Sec. 2-81B, Economic Impact Statements,”](#) Montgomery County Code.

<sup>8</sup> Office of Legislative Oversight, [“Racial Equity and Social Justice \(RESJ\) Statement on Bill 25-24,”](#) Montgomery County Council, November 14, 2024.

## **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 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) prepared this report.

# Climate Assessment

Office of Legislative Oversight

## Bill 25-24: Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 25-24 will have no impact as the proposed changes apply to County procurement processes that do not impact the County's contribution to addressing climate change.

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### BACKGROUND AND PURPOSE OF BILL 25-24

According to Polaris – a national nonprofit that works to end human trafficking – “U.S. law defines human trafficking as the use of force, fraud, or coercion to compel a person into commercial sex acts or labor against their will.”<sup>1</sup> The International Labor Organization estimates that 27 million people worldwide are survivors of human trafficking.<sup>2</sup> In the United States, the Human Trafficking Hotline has identified nearly 200,000 victims of human trafficking since its inception in 2007.<sup>3</sup> Significant risk factors for human trafficking include “recent migration or relocation, substance use, mental health concerns, involvement with the child welfare system and being a runaway or homeless youth.”<sup>4</sup>

The purpose of Bill 25-24 is to “prohibit the County from working with contractors or subcontractors found to have violated state or federal human trafficking laws.”<sup>5</sup> If enacted, Bill 25-24 would:<sup>6</sup>

- Require bidders and offerors to County procurement opportunities to certify they have not violated laws against human trafficking;
- Require County contracts to include language explicitly requiring contractors and subcontractors to comply with laws against human trafficking;
- Require contractors and subcontractors to notify the Director of Procurement if they have a criminal charge or civil claim related to human trafficking or if they are found to have violated a law or have a liability related to human trafficking; and
- Require the Director of Procurement to pursue remedies if they find that a contractor or subcontractor has failed to comply with these requirements, which can include termination of the contract or debarment.

The Council introduced Bill 25-24, Contracts and Procurement - Prohibition Against Human Trafficking – Enforcement, on October 29, 2024.

## ANTICIPATED IMPACTS

As the bill proposes changes to procurement processes that have no impact on the County's contribution to climate change, OLO anticipates Bill 25-24 will have no impact.

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## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>7</sup> OLO does not offer recommendations or amendments as Bill 25-24 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptive capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative 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.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptive capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> ["Understanding Human Trafficking,"](#) Polaris.

<sup>2</sup> ["About Human Trafficking,"](#) U.S. Department of State.

<sup>3</sup> ["National Statistics,"](#) National Human Trafficking Hotline.

<sup>4</sup> ["Myths, Facts, and Statistics,"](#) Polaris.

<sup>5</sup> [Introduction Staff Report for Bill 25-24,](#) Montgomery County Council, Introduced October 29, 2024.

<sup>6</sup> Ibid.

<sup>7</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

December 2, 2024

Montgomery County Council  
100 Maryland Ave.,  
Rockville, MD 20850

RE: Support of Bill 25-24 – Contracts and Procurement – Prohibitions Against Human Trafficking – Enforcement

Dear President Friedson and Members of the Montgomery County Council,

On behalf of the University of Maryland SAFE Center for Human Trafficking Survivors, we strongly support the passage of Bill 25-24 Contracts and Procurement - Prohibitions Against Human Trafficking – Enforcement introduced by Councilmember Dawn Luedtke and co-sponsored by Council President Friedson, Council Vice President Stewart, and Councilmembers Sidney Katz, Evan Glass, Will Jawando, Gabe Albornoz and Laurie-Anne Sayles. The passage of this legislation would make Montgomery County a leader among local governments in the fight against human trafficking, and we commend the approach taken in this legislation.

The University of Maryland Support, Advocacy, Freedom, and Empowerment (SAFE) Center for Human Trafficking Survivors is a unique university-based comprehensive services, research, and advocacy center for human trafficking survivors. Our mission is to provide survivor-centered and trauma-informed services that empower sex and labor trafficking survivors to heal and reclaim their lives, and to prevent trafficking and better serve survivors through research and policy advocacy. The SAFE Center provides bilingual (Spanish/English) legal, social, mental health, and economic empowerment services to sex and labor trafficking survivors. In eight years of operation, we have served over 450 human trafficking survivors and their family members – the majority of which live in Montgomery and Prince George’s counties. Nearly 60% of our current clients’ cases involve labor trafficking.

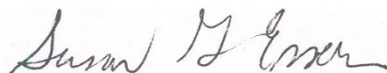
There are far too few effective mechanisms to deter human trafficking, and as the last two decades in the fight against human trafficking demonstrate, we cannot rely on the relatively small number of prosecutions and civil litigation alone to deter trafficking. Bill 25-24 would be an important mechanism to deter human trafficking as well as to protect vulnerable workers against exploitation. In particular, it will heighten awareness of the potential for labor trafficking and exploitation, particularly in sectors, such as construction, that have significant contracts with local governments. Moreover, taxpayer funds should not be paid to contractors engaged in or benefiting from trafficking and the exploitation of workers. With the passage of Bill 25-24, County contractors and subcontractors found to have been involved in sex and labor trafficking would face meaningful penalties, ensuring that those who do business with the county would be held to the highest standards.

As councilmember Luedtke notes, this bill mirrors recently approved Prince George’s County law. In July of this year, the Prince George’s County Council unanimously passed legislation, based on existing federal anti-trafficking procurement regulations, prohibiting County contractors and subcontractors from engaging in labor and sex trafficking and providing the

County with meaningful enforcement mechanisms, making it the first local jurisdiction in the country to pass such a measure. The SAFE Center, with critical pro bono support and procurement expertise provided by Steptoe LLP, worked with the Prince George's Human Trafficking Task Force Chair, Prince George's County Government and County Executive Angela Alsobrooks to develop and adapt the federal procurement model to Prince George's County. Montgomery County's passage of Bill 25-24 would significantly enhance efforts within the region to ensure the protection of workers.

For these reasons, the University of Maryland SAFE Center for Human Trafficking Survivors supports the passage of Bill 25-24 Contracts and Procurement - Prohibitions Against Human Trafficking – Enforcement.

Sincerely,



Susan Esserman  
Founder and CEO  
University of Maryland SAFE Center for Human Trafficking Survivors





— Montgomery County, MD —  
**HUMAN TRAFFICKING  
PREVENTION COMMITTEE**

Marc Elrich  
*County Executive*

Jodi Finkelstein, MSW  
*Executive Director*

December 2, 2024

Montgomery County Council  
100 Maryland Ave.,  
Rockville, MD 20850

RE: Support of Bill 25-24--Contracts and Procurement - Prohibitions Against Human Trafficking – Enforcement

Dear President Friedson and Members of the Montgomery County Council,

My name is Wendy Stickle. I am the Chair of the Montgomery County Human Trafficking Prevention Committee (HTPC), a principal lecturer in the UMD Department of Criminology and Criminal Justice, and the Director of UMD's Criminology and Criminal Justice Program at the Universities at Shady Grove. I am writing this testimony on behalf of the entire HTPC to express our strong support for Bill 25-24, concerning Contracts and Procurement – Prohibition Against Human Trafficking - Enforcement. This bill is a testament to our county's commitment to being a leader in combating human trafficking and ensuring that we are not complicit in this grave violation of human rights.

We commend the County Council for introducing this progressive legislation. By requiring procurement bids to include certifications of compliance with human trafficking laws, and by prohibiting county contractors and subcontractors from violating these laws, we are taking a bold step forward. This bill ensures that our county sets a high standard for ethical business practices and human rights.

The County Council's dedication to preventing human trafficking is evident in the provisions of this bill. By mandating disclosures regarding human trafficking charges and authorizing remedies such as debarment for noncompliance, we are sending a clear message that our county will not tolerate any form of human trafficking. This commitment not only protects vulnerable individuals but also upholds the integrity and reputation of our county.

While the bill's provisions are robust, it is crucial that we acknowledge the importance of providing the necessary resources to ensure its effective enforcement. Adequate funding and staffing are essential for monitoring compliance, investigating violations, and implementing penalties. We urge the council to allocate the resources needed to support these efforts, ensuring that the bill's objectives are fully realized.

In conclusion, Bill 25-24 is a significant step in the county's ongoing fight against human trafficking. It reflects our county's values and commitment to justice and human dignity. We strongly support this bill and encourage the council to ensure its successful implementation by providing the necessary resources.

Thank you for your leadership and dedication to this critical issue.

*Wendy Stickle*

Wendy Stickle, Ph.D.

Chair, Montgomery County Human Trafficking Prevention Committee