

Climate Assessment

Office of Legislative Oversight

Expedited Bill 1-24: Bond Authorization

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 1-24 will have an indeterminate impact on the County's contribution to addressing climate change as it is not possible to predict if projects in the Capital Improvements Program (CIP) funded by the authorization of bonds would have an overall positive, negative, or neutral impact on the County's greenhouse gas emissions and community climate resilience.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 1-24

The Capital Improvements Program (CIP) refers to the County's budget for capital improvements, which are long-term investments for public infrastructure (i.e., buildings and roads).¹ To help finance projects approved in the CIP, the County Executive issues general obligation (G.O.) bonds as needed.² According to the U.S. Securities and Exchange Commission, GO bonds "are issued by states, cities or counties and not secured by any assets. Instead, [they] are backed by the 'full faith and credit' of the issuer, which has the power to tax residents to pay bondholders."³

Expedited Bill 1-24 would authorize the County to issue up to \$298 million in GO bonds to help fund appropriations approved in the Amended FY23-28 Capital Improvements Program (CIP). Currently, there is insufficient bond authorization in certain categories of CIP expenditures to fully cover the increased appropriation level.⁴

Expedited Bill 1-24 was introduced by the Council President at the County Executive's request on January 16, 2024.⁵

ANTICIPATED IMPACTS

There are many types of capital improvement projects, such as stormwater management infrastructure, new parks, new roads, and public buildings such as libraries.⁶ These projects have the potential to have positive, negative, or neutral effects on the County's contribution to climate change and community climate resilience. For example, stormwater management infrastructure would improve drainage and mitigate flooding, which would be positive for community climate resilience.⁷ On the other hand, more roads could encourage more driving, which would likely increase greenhouse gas emissions in the County's transportation sector. Further, construction on projects, whether beneficial for the environment or not, is carbon intensive, although there are strategies to mitigate emissions.⁸

It is not possible to identify the specific capital improvement projects that will be funded by this authorization of bonds; and so, it is not possible to ascertain whether the projects would have a net positive, negative, or neutral impact on the County's greenhouse gas emissions and community climate resilience. Hence, OLO anticipates Expedited Bill 1-24 will have an indeterminate impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁹ OLO does not offer recommendations or amendments as Expedited Bill 1-24 is likely to have an indeterminate impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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.

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 adaptative 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.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [Montgomery County Maryland Capital Budget, Accessed 1/18/2024.](#)

² ["Debt Summary," Montgomery County Government, accessed January 22, 2024.](#)

³ ["What Are Municipal Bonds," U.S. Securities and Exchange Commission, April 6, 2023.](#)

⁴ ["Fiscal Impact Statement," Expedited Bill 1-24, Bond Authorization.](#)

⁵ [Expedited Bill 1-24, Bond Authorization, Montgomery County Council, Introduced January 16, 2024.](#)

⁶ ["What Is a CIP: Capital Improvement Plans 101", Opengov, Accessed 1/28/2024.](#)

⁷ ["Integrating Resilience into Local Capital Improvement Programs", University of Maryland Environmental Finance Center, January 2019.](#)

⁸ ["Putting the construction sector at the core of the climate change debate", Deloitte Central Europe, Accessed 1/26/2024.](#); ["2019 Global Status Report for Buildings and Construction", International Energy Alliance, 2019.](#); ["Montgomery County Climate Action Plan", Montgomery County Government, 2021.](#)

⁹ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022