

# Climate Assessment

Office of Legislative Oversight

## BILL 24-25: TRANSPORTATION DEMAND MANAGEMENT - REPEAL

### SUMMARY

Based on available information and limited timeframe, the Office of Legislative Oversight (OLO) cannot estimate the impact of Bill 24-25 on the County's contribution to climate change, nor climate resilience. An analysis of the Bill would require data on the Transportation Demand Management (TDM) program to determine its impact on the County's transportation goals, including reducing travel related emissions and increasing multi-modal transportation. As the County's Office of the Inspector General found reporting on the effectiveness of the program incomplete, OLO is unable to ascertain the impact of the TDM program.

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### BACKGROUND AND PURPOSE OF BILL 24-25

In Montgomery County, Transportation Management Districts (TMDs) were created in the 1980s. There are six districts: Friendship Heights, Silver Spring, Downtown Bethesda, North Bethesda, Greater Shady Grove, and White Oak.<sup>1</sup> The goals of TMDs are to:

- Cut traffic congestion
- Increase transportation capacity
- Reduce air and noise pollution; and
- Promote bicycle and pedestrian access.<sup>2</sup>

In 2006, the Montgomery County Council passed a bill which created a program for Transportation Demand Management (TDM) fees and requirements. For employers located in a transportation management district that retain 25 or more full- or part-time employees, they are required under County law to submit a TDM plan within 90 days after the Department of Transportation (DOT) notifies the business. Employers are also required to participate in a commuter survey and submit an annual report of employer actions to assist with reducing traffic congestion.<sup>3</sup>

Changes to the TDM program were enacted by the Council in 2019 and expanded the County's use of TDM. It expanded the requirements as it increased the number of employers required to submit TDM plans, increased the requirements on new and existing commercial buildings, and created new requirements for residential multi-family buildings.<sup>4</sup>

The purpose of Bill 24-25 is to repeal the entire TDM plan and fees and requirements that were established by the 2006 Bill and the 2019 updates to the law. The Bill would sunset the current TDM program and the program would officially end on December 31, 2025.<sup>5</sup>

There are a few reasons why it is suggested the Council should repeal the TDM plan as explained in the staff introduction report including:

- A 2016 audit conducted by the County’s Inspector General (IG) found “inadequate oversight of compliance from employers related to TDM plans, inadequate survey results, and departmental non-compliance in publishing biennial reports as mandated by County Code.”<sup>6</sup> A second audit conducted in 2025 by the IG found no improvement in compliance with the program and DOT did not ensure employers complied with TDM plans or submit commuter surveys.<sup>7</sup>
- The goals set in Non-Auto Driver Mode Share (NADMS) included in the County’s Growth and Infrastructure Plan (GIP) are similar to TDM plan goals. Despite a lack of oversight in compliance with TDM goals, it was reported in a 2024 staff report for a joint Transportation and Environment Committee and Economic Development Committee session that all five TMD areas reached their NADMS goals due to high public transit ridership in these areas.<sup>8</sup>
- In a memorandum from Councilmember Marilyn Balcombe, the lead sponsor of this Bill, it was stated that “given the significant change in our telework environment, the increasing complexity of the TDM program, and the report inefficiency of the existing program, repealing the existing TDM law is the best path forward.”<sup>9</sup>

Bill 24-25, Transportation Demand Management – Repeal was introduced by the County Council on June 17, 2025.<sup>10</sup>

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## ANTICIPATED IMPACTS

Due to the complexity of the proposed changes, determining the impact of Bill 24-25 would require a detailed investigation of how the TDM program has affected the County’s transportation goals and how the repeal of the TDM program would affect future transportation goals and DOT’s ability to meet these goals. As found in a 2025 report released by the County’s Office of the Inspector General, reporting on the effectiveness of the TDM program is incomplete, and OLO would not be able to ascertain the impacts of the TDM program.

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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>11</sup> OLO does not offer recommendations or amendments as Bill 24-25 is likely to have little to no 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.

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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> ["Welcome to Your Transportation Management District", Montgomery County Department of Transportation, Accessed 7/1/2025.](#)

<sup>2</sup> [Ibid.](#)

<sup>3</sup> [Montgomery County Code, Sec. 42A-24. Transportation Demand Management Plans for Employers, Accessed 7/1/2025.](#)

<sup>4</sup> [Montgomery County Code, Sec. 42A-24.; "Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

<sup>5</sup> ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

<sup>6</sup> ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

<sup>7</sup> ["Review of the Transportation Management Districts", Office of the Inspector General, March 17, 2025.](#)

<sup>8</sup> ["Executive Regulation 8-21, Transportation Demand Management", Staff Report for Joint Transportation and Environment Committee and Economic Development Committee, July 18, 2024.](#)

<sup>9</sup> ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

<sup>10</sup> [Ibid.](#)

<sup>11</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022