

Economic Impact Statement

Office of Legislative Oversight

Bill 26-20

Environmental Sustainability – Energy and Air Quality Advisory Committee – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) expects Bill 26-20 to have a minimal economic impact on the Montgomery County economy. However, the committee has the potential to shape environmental policy in the County that could have significant economic impacts in the future, depending on the nature of the policies.

BACKGROUND

On December 5, 2017, the Montgomery County Council declared a climate emergency and set a goal of “reducing greenhouse gas emissions by 80% by 2027 and reaching 100% elimination by 2035.”¹ To date, however, there is no board, committee, or commission that is responsible for advising the Office of the County Executive on climate change issues. To address this gap in advisory functions, Bill 26-20 would expand the scope of duties of the Energy and Air Quality Advisory Committee within the Office of the County Executive to include climate change issues. In line with the new duties, the Bill would also change the name of the committee to the “Climate, Energy, and Air Quality Advisory Committee.”²

The revised duties of the Climate, Energy, and Air Quality Advisory Committee would entail developing recommendations to identify and develop policies, programs, and materials to achieve the following goals:

- “meet[] the County’s greenhouse gas emission reduction goals,”
- “promote cleaner, more efficient, and more reliable energy use and practice in all segments of the community,”
- “meet air quality standards and ... promote healthy indoor and outdoor air quality,”
- “encourage voluntary participation in climate-related efforts, energy conservation efforts and air quality improvements,” and

¹ Montgomery County Council, Resolution No. 18-974 Emergency Climate Mobilization, Adopted on December 5, 2017, Montgomery County, Maryland, 2, https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=8727_1_4838_Resolution_18-974_Adopted_20171205.pdf.

² Montgomery County Council, Bill No. 26-20 Environmental Sustainability - Energy and Air Quality Advisory Committee - Amendments, Introduced on June 16, 2020, Montgomery County, Maryland, 1-5.

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- “educate the public and private sectors about the efficient use of energy and its direct benefits for improved air quality and reduced greenhouse gas emissions.”³

INFORMATION, ASSUMPTIONS and METHODOLOGIES

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.

VARIABLES

The variables that could affect economic impacts in the County are business and household energy use and participation in climate-related, energy and air quality improvements.

IMPACTS

Businesses, Non-Profits, Other Private Organizations

Workforce, operating costs, property values, capital investment, taxation policy, economic development, competitiveness, etc.

OLO believes that Bill 26-20 would have a minimal impact on private organizations in the County. The committee could potentially recommend programs that result in greater business participation in energy conservation and other environmental programs. In which case, participating businesses could see reductions in energy-related operating costs. However, OLO is unable to anticipate the likelihood of such reductions in operating costs occurring, much less the magnitude of potential savings. OLO sees no direct connection between Bill 26-20 and the Council’s other priority areas, namely workforce, property values, capital investment, taxation policy, economic development, and competitiveness.

Residents

Employment, property values, taxes paid, etc.

For similar reasons, OLO believes that Bill 26-20 would have a minimal impact on County residents. The committee could potentially recommend programs that increase household participation in energy conservation and other environmental programs. However, OLO is unable to anticipate the likelihood of greater household participation and its impact on employment, property values, and taxes paid.

WORKS CITED

Montgomery County Council. Bill No. 26-20 Environmental Sustainability – Energy and Air Quality Advisory Committee – Amendments. Introduced on June 16, 2020. Montgomery County, Maryland.

³ Ibid.

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Montgomery County Council. Resolution No. 18-974 Emergency Climate Mobilization. Adopted on December 5, 2017. 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 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

This economic impact statement was drafted by Stephen Roblin (OLO).