

Economic Impact Statement

Office of Legislative Oversight

BILL 42-20 Ethics – Public Accountability and Transparency – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) expects Bill 42-20 to have an insignificant impact on economic conditions in Montgomery County.

BACKGROUND

The goal of Bill 42-20 is to improve public accountability and County transparency. If enacted, the Bill would make the following changes to County law:

- “require the Executive to disclose a proposed employment contract with an appointee to a non-merit position and any employment contract with an employee currently serving in a non-merit position to the Council;
- include the sale or promotion of certain intellectual property by a public employee as other employment;
- prohibit a public employee who has received compensation from an individual or organization in the previous 12 months from participating in a procurement with that individual or organization;
- require a public employee who participates in a procurement process with an individual or organization seeking to do business with the County that compensated the public employee for services performed more than 12 months before the participation began to disclose the prior relationship to the Procurement Director;
- require an elected official or non-merit employee to disclose, with some exceptions, the source of each fee greater than \$1,000 received for services in a financial disclosure statement; and
- prohibit the Chief Administrative Officer from engaging in other employment.”¹

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

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

Not applicable.

¹ Montgomery County Council, Bill 42-20, Ethics – Public Accountability and Transparency – Amendments, Introduced on September 29, 2020, Montgomery County, Maryland, 11.

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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 42-20 would have little to no impact 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.²

Residents

OLO believes that Bill 42-20 would have little to no impact on County residents in terms of the Council's priority indicators.

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 42-20, Ethics – Public Accountability and Transparency – Amendments. Introduced on September 29, 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 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.

² 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.