

# Economic Impact Statement

Office of Legislative Oversight

## BILL 44-20 Human Rights and Civil Liberties – Racial Equity and Social Justice Advisory Committee – Members - Amendments

### SUMMARY

The Office of Legislative Oversight (OLO) expects Bill 44-20 to have no direct impacts on economic conditions in Montgomery County.

### BACKGROUND

On November 29, 2019, the Montgomery County Council established a racial equity and social justice program with the enactment of Bill 27-19.<sup>1</sup> If enacted, Bill 44-20 would modify this program by requiring a racial equity and social justice impact statement for each zoning text amendment, adding two public members to the Racial Equity and Social Justice Advisory Committee, and authorizing the County Executive to establish one or more task forces to study and offer recommendations on specific issues.<sup>2</sup>

### METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Amending zoning laws has the potential to significantly impact economic conditions in the County in ways that reduce or increase racial and social economic inequities. By requiring racial equity and social justice impact statements, Bill 44-20 could influence zoning text amendments in the future, thereby shaping their economic impacts for different business and resident groups in the County. These potential impacts, however, would be *indirect* consequences of enacting the Bill. Put differently, requiring OLO to produce racial equity and social justice impact statements would not in itself result in any direct economic impacts.

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.

<sup>1</sup> Montgomery County Council, Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Enacted on November 29, 2019, Montgomery County, Maryland.

<sup>2</sup> Montgomery County Council, Bill 44-20, Human Rights and Civil Liberties – Racial Equity and Social Justice Advisory Committee – Members – Amendments, Introduced on September 29, 2020, Montgomery County, Maryland, 1.

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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 44-20 would have little to no direct impacts 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.<sup>3</sup>

### Residents

OLO believes that Bill 44-20 would have little to no direct impacts on County residents in terms of the Council's priority indicators.

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## 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 44-20, Human Rights and Civil Liberties – Racial Equity and Social Justice Advisory Committee – Members - Amendments. Introduced on September 29, 2020. Montgomery County, Maryland.

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## 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.

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## CONTRIBUTIONS

Stephen Roblin (OLO) drafted this economic impact statement.

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<sup>3</sup> 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.