

Economic Impact Statement

Office of Legislative Oversight

Bill 8-20

Bicycles and E-Scooters – Operating Requirements and Registration

SUMMARY

Overall, the Office of Legislative Oversight (OLO) expects Bill 8-20 to have a negligible impact on the Montgomery County economy.

BACKGROUND

While e-scooters are becoming a more popular mode of transportation in the County, there are few laws and regulations guiding their operation. The purpose of Bill 8-20 is to fill this regulatory gap and, as the Legislative Request Report states, “provide operating expectations for e-scooters.” If passed, several provisions of Bill 8-20 could theoretically have economic impacts. These provisions include: owners of a bicycle/e-scooter for rent are required to register and pay a registration fee; every e-scooter operating in the County must have required reflectors; the County Police Department and the Maryland-National Capital Park and Planning Commission Police may impound unregistered bicycles and e-scooters provided for rent; and providers of bicycles and e-scooters for rent must require renters to have a helmet.

INFORMATION, ASSUMPTIONS and METHODOLOGIES

No information or methodologies were needed for this statement. The assumptions underlying the claims made in the subsequent sections are based on the judgement of OLO staff.

VARIABLES

The variables that theoretically could affect economic impacts in the County are registration fees for bicycles and e-scooters; reflector purchases; transportation costs and wage losses from recovering impounded bicycles and e-scooters; the rate of bicycle and e-scooter riders who wear a helmet; and healthcare costs related to bicycle and e-scooter accidents. Although these variables could affect the analysis of economic impacts, OLO believes these impacts would be negligible and difficult to quantify.

- While registration fees would extract income from providers of bicycles and e-scooters, we do not anticipate that the fees would be large enough to harm providers or generate a negative multiplier effect in any significant manner.
- While the bill may generate increased purchases of reflectors, we anticipate that these costs would be minimal for providers and that any benefit would go to vendors outside of the County.
- While recovering impounded bicycles and e-scooters would create transportation and/or wage costs for owners of bicycles and e-scooters, we do not anticipate that occurrences of impoundment would be high enough for negative ripple effects to be felt in any significant manner.

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- While requiring renters to have a helmet may increase rates of riders wearing helmets, we do not anticipate that the rate increase would be large enough to meaningfully reduce healthcare costs related to bicycle and e-scooter accidents.

IMPACTS

Businesses, Non-Profits, Other Private Organizations

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

OLO believes Bill 8-20 would have, at most, a negligible economic impact on County businesses, non-profits, and other private organizations in terms of workforce, operating costs, property values, capital investment, taxation policy, economic development, and competitiveness.

Residents

Employment, property values, taxes paid, etc.

OLO believes Bill 8-20 would have, at most, a negligible economic impact on County residents in terms of employment, property values, and taxes paid.

WORKS CITED

None.

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.