

Economic Impact Statement

Office of Legislative Oversight

Bill 36-21

Motor Vehicles and Traffic – E-Scooters – Operation Requirements and Registration

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 36-21 would have an insignificant impact on economic conditions in the County. Enacting the Bill would likely increase costs for certain electric low speed scooter companies and riders, as well as revenues for certain County-based businesses. However, OLO expects the increases in costs and revenues to be negligible on a per business and rider basis.

BACKGROUND

Electric low speed scooters (hereinafter “e-scooters”) are an integral part of the County’s growing shared micro-mobility network. Yet, there are few laws and regulations regarding the registration, safety/operation, and parking of e-scooters. The goals of Bill 36-21 are to fill these regulatory gaps and reduce injuries associated with the use of e-scooters.¹ If enacted, the Bill would make the following changes to County law:

- **Registration:** Require owners of 2 or more e-scooters for rent to register their e-scooter fleet with the Department of Transportation and pay a registration fee to be set by the County Executive; permit any County resident who owns an e-scooter for personal use to register it with the Montgomery County Police Department; and allow the County Executive to set a registration fee.
- **Safety/Operation:** Require a person under the age of 18 to wear a helmet when riding an e-scooter and require every e-scooter to have reflectors.
- **Parking:** Establish various parking requirements for e-scooter use.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

If the Council enacts Bill 36-21, the changes to the registration and safety/operation regulations for e-scooter use in the County would have economic impacts on certain residents and private organizations operating in the County. However,

¹ Montgomery County Council, [Bill 36-21, Motor Vehicles and Traffic – E-Scooters – Operation Requirements and Registration](#), Introduced on October 19, 2021.

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OLO believes these impacts would be negligible for affected residents and private organization based on the following assumptions:

- **Registration Fee Assumption:** The County Executive would set the fees by Method (3), meaning they would not be subject to County Council approval or disapproval.² Given the importance of micro-mobility to the County's climate goals,³ OLO assumes the fees would be set at levels too low to significantly affect conditions in the local e-scooter market (prices, supply, demand, etc.).
- **Helmet Requirement Assumption:** OLO assumes the total number of helmets that would be purchased in County-based businesses on an annual basis because of the e-scooter helmet requirement for persons under the age of 18 would not significantly affect household expenses or business revenue. This assumption is informed by the price range of helmets,⁴ survey data suggesting that most e-scooter riders subject to the helmet requirement likely would already possess a helmet,⁵ and the likelihood of residents purchasing helmets from vendors based outside the County.
- **Reflector Requirement Assumption:** The reflector requirement likely would increase operating expenses for e-scooter companies and household expenses for e-scooter riders, assuming companies pass on some portion of the additional cost. However, based on the potential price of purchasing, installing, and replacing reflectors,⁶ the number of daily riders of e-scooters,⁷ and the likelihood of residents purchasing reflectors from vendors based outside the County, OLO assumes the requirement's impacts would be on operating expenses on rider income would be negligible.

Note: While the helmet and reflector requirements may reduce e-scooter injuries, the Bill's potential impacts on medical costs for residents is excluded from the scope of this analysis. Also excluded from the analysis is any positive externality that businesses may receive from regulating e-scooter parking.

² Montgomery County Code, [Sec. 2A-15. Procedure for adoption of regulations](#).

³ Montgomery County, [Climate Action Plan](#), June 2021.

⁴ Most helmet prices reportedly range from \$25 to \$200. See Hannah Horvath, "[7 best bike helmets for 2021 and how to choose one](#)," NBC News, April 7, 2021.

⁵ In a nationally representative household survey conducted in 2019, parents reported that 4 out of 5 children ride bikes and 1 out of 5 never wear helmets. See University of Michigan, [National Poll on Children's Health](#), May 20, 2019.

⁶ A cursory review of prices for e-scooter lights suggest that the per unit cost may be less than \$20. Companies would likely pass on the cost

⁷ See Toole Design, [Montgomery County Dockless Mobility Update](#), Montgomery County Department of Transportation.

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VARIABLES

The primary variables that would affect the economic impacts of enacting Bill 36-21 are the following:

- total annual e-scooter registration fees
- total annual amount of helmet and reflector purchases at County-based businesses
- total annual cost of reflectors
- percentage of registration, helmet, and reflector costs passed from e-scooter companies to residents

IMPACTS

WORKFORCE ▪ **TAXATION POLICY** ▪ **PROPERTY VALUES** ▪ **INCOMES** ▪ **OPERATING COSTS** ▪ **PRIVATE SECTOR CAPITAL INVESTMENT** ▪ **ECONOMIC DEVELOPMENT** ▪ **COMPETITIVENESS**

Businesses, Non-Profits, Other Private Organizations

If enacted, Bill 36-21 would have targeted impacts on e-scooter companies operating in the County and certain County-based businesses that sell helmets and reflectors. E-scooter companies would experience a net increase in operating costs due to the registration fee and reflector requirements. However, as previously discussed, OLO anticipates the increase in operating costs would be negligible due to the expected minor costs associated with registration fees and purchasing reflectors and the likelihood of companies passing a portion of the costs onto e-scooter riders.

Moreover, the Bill may result in certain County-based businesses experiencing an increase in helmet and reflector sales because of enacting the Bill. However, as previously discussed, OLO anticipates that the net increase in revenues would have a negligible impact on business incomes due to the price of purchasing, installing and the likelihood of residents purchasing reflectors from vendors based outside the County.

Beyond these effects, OLO does not believe the Bill would impact private organizations based in the County in terms of the Council's other priority indicators.⁸

Residents

If enacted, Bill 36-21 would have targeted impacts on certain residents who own e-scooters for personal use. Residents who would opt into the voluntary registration fee and/or purchase helmets would experience a net increase in household expenses. However, OLO anticipates the net increase in household expenses would be negligible for individual households due to the price of helmets and expected registration fees and that relatively few households would experience the expenses due to the number of e-scooter riders who already possess a helmet and the voluntary registration provision.

⁸ Montgomery County Code, [Sec. 2-81B, Economic Impact Statements](#).

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DISCUSSION ITEMS

Not applicable

WORKS CITED

Horvath, Hannah. "[7 best bike helmets for 2021 and how to choose one.](#)" NBC News. April 7, 2021.

Montgomery County. [Climate Action Plan](#). June 2021.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Montgomery County Code. [Sec. 2A-15. Procedure for adoption of regulations](#).

Montgomery County Council. [Bill 36-21, Motor Vehicles and Traffic – E-Scooters – Operation Requirements and Registration](#). Introduced on October 19, 2021.

Toole Design. [Montgomery County Dockless Mobility Update](#). Montgomery County Department of Transportation.

University of Michigan. [National Poll on Children’s Health](#). May 20, 2019.

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) prepared this report.