

Economic Impact Statement

Office of Legislative Oversight

BILL 5-21

Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 5-21 would have an insignificant impact on economic conditions in the County.

BACKGROUND

The goal of Bill 5-21, introduced on January 19, 2021, is to raise funds to preserve agricultural land in the County.¹ If enacted, the bill would “dedicate business personal property tax revenue received for a solar collection system constructed in the Agricultural Reserve Zone for the Agricultural Land Preservation Fund,” which is a fund used to purchase property interests to preserve agricultural land. Importantly, the bill would not change business personal property tax rates. Instead, it would earmark revenues generated from those taxes to the existing Agricultural Land Preservation Fund.

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Because it would not change business personal property tax *rates*, OLO does not anticipate that enacting Bill 5-21 would result in direct economic impacts to private organizations or residents in the County.

No methodologies were used in this statement. The claims made in subsequent sections are based on the judgment of OLO analysts.

VARIABLES

Not applicable.

¹ Montgomery County Council, Bill 5-21, Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue, Introduced on January 19, 2021, Montgomery County, Maryland. See bill in Introduction Staff Report, https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2696_1_13181_Bill_5-2021_Introduction_20210119.pdf.

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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 Organization

OLO believes that Bill 5-21 would have insignificant economic impacts on private organizations in the County in terms of the Council's priority indicators, namely business income, workforce, operating costs, capital investments, property values, taxation policy, economic development, and competitiveness.²

Residents

OLO believes that Bill 5-21 would have no economic impacts on County residents in terms of the Council's priority indicators.

QUESTIONS FOR CONSIDERATION

Not applicable.

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 5-21, Agricultural Land Preservation – Solar Collection System – Dedication of Business Personal Property Tax Revenue. Introduced on January 19, 2021. 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) prepared this report.

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.