

Economic Impact Statement

Office of Legislative Oversight

BILL 6-21

Finance – Revenue Estimating Group – Established

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 6-21 would have an insignificant impact on economic conditions in the County.

BACKGROUND

The goal of Bill 6-21, introduced on January 19, 2021, is to enhance the accuracy and usefulness of County revenue projections.¹ If enacted, the bill would create a Revenue Estimating Group comprised of staff from OLO, the Department of Finance, the Office of Management and Budget, Council Central Staff, and the Office of the Chief Administrative Officer. The duties of the Revenue Estimating Group would include the following:

- Review and analyze revenue attainment on a quarterly basis;
- Develop and revise revenue forecasts;
- Perform studies or analyses requested by the Executive or the Council President;
- Develop a revenue forecast methodology; and
- Provide quarterly reports on revenue projections to the Executive and the Council.

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

While the Revenue Estimating Group would likely improve the accuracy of County revenue projections, OLO does not anticipate that more accurate projections would change the size of the County budget or budgetary priorities. For this reason, enacting Bill 6-21 is not expected to have direct economic impacts on 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 6-21, Finance – Revenue Estimating Group – Established, Introduced on January 19, 2021, Montgomery County, Maryland. See bill in Introduction Staff Report, https://apps.montgomerycountymd.gov/ccllms/Download/FilePage?FileName=2697_1_14196_Bill_6-2021_Introduction_20210202.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 6-21 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 6-21 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 6-21, Finance – Revenue Estimating Group – Established. 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.