

# Economic Impact Statement

Office of Legislative Oversight

## BILL 9-21 Streets and Roads – Sidewalk Snow Removal – Amendments

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 9-21 would have a modest, positive impact on economic conditions in the County.

### BACKGROUND

During major winter storms, County and State snowplows push aside snow onto stretches of sidewalks in the County. Snow-covered sidewalks often become impassable and pose a safety hazard for pedestrians who are forced to walk along roads. Bill 9-21, introduced on February 23, 2021, would address this problem by expanding the scope of the County's snow and ice removal responsibilities. In particular, the bill would require the Department of Transportation (DOT) "to remove or cause to be removed snow and ice accumulation that exceeds three (3) inches or more from the last day of precipitation" in designated areas. The areas include "orphan sidewalks" and "non-buffered sidewalks or paths within the nineteen (19) arterial roads" specified in the bill. In expanding the scope of the County's responsibilities, Bill 9-21 would also make an exception to snow and ice removal requirements on private property and generally amend County law concerning snow and ice removal from certain sidewalks and paths in the County.<sup>1</sup>

### METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Winter storms can cause disruptions to traffic, communication, power, and other utilities.<sup>2</sup> These disruptions create substantial economic costs for certain businesses and workers. According to an IHS Global insight study, commissioned by the American Highway Users Alliance, the direct economic effects of snowstorm disruptions include lost sales to businesses and wages for non-salaried employees. These effects are disproportionately felt by businesses and workers in the retail industry.<sup>3</sup>

By making sidewalks passable in designated areas, Bill 9-21 could improve customer and employee access to businesses during winter storms, thereby potentially preventing lost sales and wages. While data limitations prevent estimating the magnitude of the bill's impact on sales and wages, OLO assumes that the impact would be modest on an annual basis. The reason being that impassable sidewalks account for only a small fraction of the total costs of winter storm disruptions to

<sup>1</sup> See sections "Legislative Findings," "Definitions," and "Sidewalk Snow Removal Required" in Montgomery County Council, Bill 9-21, Streets and Roads – Sidewalk Snow Removal – Amendments, Introduced on February 23, 2021, Montgomery County, Maryland. See Introduction Staff Report, [https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2700\\_1\\_14238\\_Bill\\_9-2021\\_Introduction\\_20210223.pdf](https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2700_1_14238_Bill_9-2021_Introduction_20210223.pdf).

<sup>2</sup> Office of Emergency Management & Homeland Security, *Hazard Mitigation Plan*, September 2018, Montgomery County Government, Maryland, <https://www.montgomerycountymd.gov/OEMHS/Resources/Files/HMP2018-FinalPlan-FEMAApproved.pdf>.

<sup>3</sup> IHS Global Insight, *The Economic Costs of Disruption from a Snowstorm*, February 24, 2014, <https://www.highways.org/2014/02/economic-impact-of-snowstorms/>.

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businesses and workers. It is worth noting however that these potential costs are recurring. For this reason, any net income gains from preventing business sales and wage loss would accumulate over time.

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## VARIABLES

The primary variables that would affect the economic impacts of Bill 9-21 are:

- Average annual wage loss to residents caused by impassable sidewalks in designated areas;
- Average annual business sales loss caused by impassable sidewalks in designated areas; and
- Reduction in time in which sidewalks in designated areas are impassable.

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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 9-21 would have a modest, positive impact on some businesses in the designated areas, particularly retail businesses. To the extent that improving customer walkable access to businesses prevents reductions in sales, the bill would increase net business income. Improving walkable access may also prevent disruptions to the workforces. Moreover, by expanding the County's snow and ice removal responsibilities, it is possible that some businesses may experience a decrease in operating costs associated with sidewalk snow removal.

OLO does not believe that Bill 9-21 would impact the Council's other priority indicators, namely private sector capital investment, property values, taxation policy, economic development, and competitiveness.<sup>4</sup>

### Residents

OLO believes that Bill 9-21 would have a modest, positive impact on some non-salaried employees of businesses in the designated areas. Improving walkable access to their place of employment businesses may prevent unwanted time off from work, thereby increasing net incomes.

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## QUESTIONS FOR CONSIDERATION

Not applicable

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## WORKS CITED

IHS Global Insight. *The Economic Costs of Disruption from a Snowstorm*. February 24, 2014.

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<sup>4</sup> For the Council's priority indicators, see Montgomery County Code, Sec. 2-81B. Economic Impact Statements, [https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco\\_md/0-0-0-80894](https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md/0-0-0-80894).

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Office of Emergency Management & Homeland Security. *Hazard Mitigation Plan*. September 2018. Montgomery County Government, Maryland.

Montgomery County Code, Sec. 2-81B. Economic Impact Statements.

Montgomery County Council. Bill 9-21, Streets and Roads – Sidewalk Snow Removal – Amendments. Introduced on February 23, 2021. 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) prepared this report.