EXPERIMENTED Bill 2-21 Taxation – Development Impact Taxes for Transportation and Public School Improvements – Amendments – Effective Date

SUMMARY
The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 2-21 would have an insignificant impact on economic conditions in the County.

BACKGROUND
As part of the Planning Board’s recommended changes to the Subdivision Staging Policy (SSP), the County Council enacted Bill 38-20, Taxation – Development Impact Taxes for Transportation and Public School Improvements – Amendments, on November 16, 2020, which modified the transportation and school impact taxes with the goal of stimulating housing development in desired growth areas in Montgomery County. In response to the County Executive’s veto of the bill, the Council overrode the veto on December 8, 2020. Due to the Council’s enactment over the veto, the bill is set to take effect on March 9. Expedited Bill 2-21, introduced on January 12, 2021, would change the effective date of the changes to the transportation and school impact taxes enacted through Bill 38-20 from March 9, 2021 to February 26, 2021, which is the original effective date stated in the bill.

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES
Once effective, the changes to the transportation and school impact taxes established in Bill 38-20 will result in significant economic impacts to private organizations and residents in the County. However, OLO does not believe that pushing forward the effective date of these changes by 11 days through the enactment of Expedited Bill would result in significant economic impacts.

VARIABLES
Not applicable.

1 If enacted, Expedited Bill 1-21 will rename the Subdivision Staging Policy the Growth and Infrastructure Policy.
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 Expedited Bill 2-21 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.³

Residents

OLO believes that Expedited Bill 2-21 would have no economic impacts on County residents in terms of the Council’s priority indicators.

QUESTIONS FOR CONSIDERATION

Not applicable.

WORKS CITED


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.

³ 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.