

Economic Impact Statement

Office of Legislative Oversight

Expedited Bill 45-21

Elections – Public Campaign Financing – Restrictions

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 45-21 would have a minimal positive impact on economic conditions in the County.

BACKGROUND

Under current law, a State or Montgomery county central committee of a political party is prohibited from displaying or distributing campaign literature for publicly financed candidates. If enacted, Expedited Bill 45-21 would make an exception to this prohibition for “an in-kind contribution equal to or less than \$10,000 from a State or a Montgomery County central committee of a political party.” As a result, central committees would be allowed to either display or distribute a publicly financed candidate’s literature or make a limited in-kind contribution to a publicly financed candidate up to \$10,000 in value.¹

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

The claims made in subsequent sections assume that allowing central committees to display and distribute campaign literature for publicly financed candidates or to contribute to the candidates up to \$10,000 would result in a marginal net increase in goods and services provided to candidates or central committees from certain County-based businesses.

VARIABLES

The primary variables that would affect the economic impacts of enacting Expedited Bill 45-21 are the following:

- total campaign budgets for publicly financed candidates; and
- percentage of County-based businesses that provided goods and services to campaigns.

¹ Montgomery County Council, [Expedited Bill 45-21, Elections – Public Campaign Financing – Restrictions](#), Introduced on November 16, 2021.

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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 Organizations

If enacting Expedited Bill 45-21 results in a marginal net increase in goods and services provided to candidates or central committees, OLO anticipates that the change in law would have targeted, positive impacts to certain private organizations based in the County. Businesses that provided these goods and services would experience a net increase in revenues and thus business income, holding all else equal. However, given the \$10,000 limit, the Bill likely would not generate enough economic activity to significantly affect businesses that provide intermediate inputs to directly impacted businesses.²

Beyond these impacts, OLO does not anticipate that enacting Bill 40-21 would meaningfully affect private organizations in terms of the Council's other priority economic indicators.³

Residents

OLO does not anticipate that enacting Expedited Bill 45-21 would significantly affect residents in terms of the Council's priority economic indicators.

DISCUSSION ITEMS

Not applicable

WORKS CITED

Bea.gov. [What are intermediate inputs?](#) U.S. Bureau of Economic Analysis. March 10, 2006.

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

Montgomery County Council. [Expedited Bill 45-21, Elections – Public Campaign Financing – Restrictions.](#) Introduced on November 16, 2021.

² The U.S Bureau of Economic Analysis defines intermediate inputs as “the goods and services (including energy, raw materials, semi-finished goods, and services that are purchased from all sources) that are used in the production process to produce other goods or services rather than for final consumption.” See Bea.gov, [What are intermediate inputs?](#), March 10, 2006.

³ Montgomery County Code, [Sec. 2-81B, Economic Impact Statements.](#)

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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

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.