

Economic Impact Statement

Office of Legislative Oversight

Expedited Bill 2-22

Montgomery County Municipal Revenue Program – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 2-22 would have an insignificant impact on economic conditions in the County. By changing the Montgomery County Municipal Revenue Program, the Bill would increase County reimbursements to municipalities for public services provided by the municipalities that otherwise would be provided by the County. Because the increase in reimbursements would be an intra-County transfer of revenues from the County to municipal governments, OLO believes that the changes in law would not affect private organizations and residents in terms of the Council's priority economic indicators.

BACKGROUND

If enacted, Expedited Bill 2-22 would change the Montgomery County Municipal Revenue Program. As stated in the Bill, these changes would include:

- (1) alter the calculation of reimbursements to municipalities for eligible costs;
- (2) alter the requirements for municipalities to participate in the municipal revenue program;
- (3) provide for a timeline of when certain reimbursement activities must be accomplished;
- (4) amend reimbursements for the City of Takoma Park police services; [and]
- (5) provide for a phased-in implementation period.¹

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess Expedited Bill 2-22's impacts on County-based private organizations and residents in terms of the Council's priority economic indicators.² The Fiscal Impact Statement for the Bill found that the changes to the Montgomery County Municipal Revenue Program would increase County reimbursements to municipalities for public services provided by the municipalities that otherwise would be provided by the County.³ Because the increase in reimbursements would be an intra-County transfer

¹ Montgomery County Council, Expedited Bill 2-22 in [Introduction Staff Report](#).

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

³ The Fiscal Impact Statement is included in the [Introduction Staff Report](#).

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of revenues from the County to municipal governments, OLO believes that the Bill would have insignificant impacts on private organizations and residents.

VARIABLES

Not applicable

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

Not applicable

Residents

Not applicable

DISCUSSION ITEMS

Not applicable

WORKS CITED

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

Montgomery County Council. [Expedited Bill 2-22, Montgomery County Municipal Revenue Program – Amendments](#).

Introduced on January 11, 2022.

Office of Management and Budget. [Fiscal Impact Statement](#) for Expedited Bill 2-22.

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,

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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.