

# Economic Impact Statement

Montgomery County, Maryland

## Expedited Bill 20-25: Economic Development Corporation – Economic Development Strategic Plan – Deadlines

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 20-25 would have no direct impact on economic conditions in the County in terms of the Council's priority indicators. However, OLO notes that by extending the deadline for the Montgomery County Economic Development Corporation to submit the draft Economic Development Strategic Plan from July 1, 2025 to July 31, 2026, the Bill could lead to the development of a plan with greater potential for effective implementation, which could indirectly improve certain indicators prioritized by the Council.

### BACKGROUND AND PURPOSE OF EXPEDITED BILL 20-25

As Montgomery County's official economic development organization, Montgomery County Economic Development Corporation (MCEDC)—a nonprofit public-private partnership funded by the County—is required to submit a draft Economic Development Strategic Plan ("Strategic Plan") to the Executive and the Council every four years, with the option to issue updates every two years.

The Strategic Plan aims to foster "a thriving and diversified economy; racial equity and social justice; greater innovation; and environmental sustainability."<sup>1</sup> It must include measures to assess capacity of the County and its partners (i.e., Planning Board and the County's Workforce Development Organization) to promote economic development through:

- (1) Job creation;
- (2) Wage growth;
- (3) Identification and support of strategic industries;
- (4) Retention and attraction of new companies and employers;
- (5) Tax base growth;
- (6) Support for and growth of entrepreneurial activity; and
- (7) Additional initiatives to promote local economic development.<sup>2</sup>

Once MCEDC has submitted a draft Strategic Plan, the Executive may propose revisions, after which the Council must hold a public hearing and adopt the final Strategic Plan by resolution.<sup>3</sup>

Under current law, MCEDC is required to submit a draft Strategic Plan to the Executive and the Council by July 1, 2025. MCEDC has informed the Council that it is unable to meet this deadline.<sup>4</sup>

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<sup>1</sup> Montgomery County Code, "[Sec. 15A-4A. Economic Development Strategic Plan.](#)"

<sup>2</sup> Ibid.

<sup>3</sup> Montgomery County Code, "Sec. 15A-4A."

<sup>4</sup> See memo from Christine Wellons, Chief Legislative Attorney, in [Introduction Staff Report for Expedited Bill 20-25, Economic Development Corporation – Economic Development Strategic Plan – Deadline](#), Montgomery County Council, June 17, 2025.

The purpose of Expedited Bill 20-25 is to provide MCEDC with additional time to develop the Strategic Plan. If enacted, it would amend the deadlines to the following:

- July 31, 2026 for the draft plan;
- January 15, 2027 for the Executive's revised plan; and
- March 15, 2027 for the Council's approved plan.<sup>5</sup>

The Council introduced the Expedited Bill 20-25 on June 17, 2025.

## INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Expedited Bill 20-25 on residents and private organizations in relation to Council's priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.<sup>6</sup>

With the enactment of Bill 10-21 in May 2021, the Council transferred responsibility for developing the Strategic Plan from the County Executive to MCEDC.<sup>7</sup> As explained in the Economic Impact Statement on the Bill, the Strategic Plan cannot, on its own, have *direct effects* on residents or private organizations in the County in terms of the Council's priority economic indicators. To illustrate, simply publishing the plan does not lead to increased private investment or other measurable outcomes. However, a Strategic Plan may generate *indirect effects* that arise through the quality of its contents and, more importantly, its implementation by the County and its private partners, as reflected in changes to partner programming, County budget and policy decisions, and other behavioral outcomes.<sup>8</sup>

On this basis, OLO concludes that extending the deadline for MCEDC to submit the draft Strategic Plan from July 1, 2025 to July 31, 2026 would not *directly* impact residents, County-based private organizations, or overall economic conditions in terms of the Council's priority economic indicators. However, OLO notes that if the extension results in the development of a Strategic Plan with greater potential for effective implementation, the Bill could *indirectly* improve certain indicators prioritized by the Council.

## VARIABLES

Not applicable

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<sup>5</sup> Ibid

<sup>6</sup> Montgomery County Code, "[Sec. 2-81B, Economic Impact Statements](#)."

<sup>7</sup> Montgomery County Council, "[Bill 10-21, Economic Development – Economic Development Strategic Plan – Economic Development Corporation](#)," Enacted May 27, 2021.

<sup>8</sup> Stephen Roblin, "[Economic Impact Statement: Bill 10-21, Economic Development – Economic Development Strategic Plan – Economic Development Corporation - Duties](#)" (Office of Legislative Oversight, Montgomery County Council, March 22, 2021).

## IMPACTS

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

Not applicable

## DISCUSSION ITEMS

Not applicable

## CAVEATS

Two caveats to the economic impact analysis conducted 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.