

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED EATING AND DRINKING ESTABLISHMENTS-ITINERANT BILL 22-21: FOOD SERVICE FACILITIES-AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) expects Expedited Bill 22-21 to favorably impact racial equity and social justice in the County.

BACKGROUND

The County Council introduced Expedited Bill 22-21 on June 15, 2021 to align County Code with State law. It would enable itinerant food service facilities (e.g. food trucks) to renew their business permits to operate in specific locations every 30 days rather than every 14 days. If enacted, Expedited Bill 22-21 would update Montgomery County Law to:

- Allow an itinerant food service facility to operate for a temporary period not to exceed 30 days; and
- Generally amend the definition of an itinerant food service facility.¹

DATA AND ANTICIPATED RESJ IMPACT

Available data suggest that minority-owned businesses might be over-represented among the businesses impacted by Expedited Bill 22-21. For example, an analysis of a 2012 Survey of Business Owners data by the U.S. Small Business Administration found that minority-owned businesses accounted for 47 percent of the special food services industry, which includes food trucks, compared to accounting for 29 percent of all firms.² An analysis of the same data by the Aspen Institute also finds that accommodations and food service businesses accounted for a larger share of Latinx-owned businesses than White-owned businesses (3.0 percent vs. 2.6 percent).³

The concentration of minority-owned businesses in the food service industry nationally suggests that minority-owned businesses in Montgomery County could especially benefit from Bill 22-21. As such, OLO anticipates that the Bill could favorably impact racial equity or social justice in the County.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than 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.

RESJ Impact Statement

Expedited Bill 12-21

¹ Montgomery County Council, Expedited Bill 22-21, Eating and Drinking Establishments-Itinerant Food Service Facilities-Amendments, Introduced on June 15, 2021, Montgomery County, Maryland.

² <https://cdn.advocacy.sba.gov/wp-content/uploads/2016/09/07141514/Minority-Owned-Businesses-in-the-US.pdf>

³ Joyce A. Klein, Bridging the Divide: How Business Ownership Can Help Close the Racial Wealth Gap, January 2017, FIELD, The Aspen Institute. https://assets.aspeninstitute.org/wp-content/uploads/2017/01/Bridging-the-Divide.pdf?_ga=2.45727015.285910532.1624920522-473497107.1624920522