

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED MONTGOMERY COUNTY MUNICIPAL REVENUE PROGRAM BILL 2-22: — AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 2-22 will have little to no impact on racial equity or social justice in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of racial equity and social justice (RESJ) impact statements is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF EXPEDITED BILL 2-22

The purpose of Expedited Bill 2-22 is to codify a negotiated agreement between the Executive Branch and municipal leaders that reimburse them for their costs to deliver transportation, police, crossing guard, and park maintenance services that the County provides to other residents.³ The municipal revenue program created by Bill 2-22 addresses the challenge of property tax duplication since the County and the following municipalities each levy a property tax, but only the municipality provides these services within its jurisdiction:⁴

- Brookeville
- Chevy Chase Section 3
- Chevy Chase View
- Chevy Chase Village
- Town of Chevy Chase
- Drummond
- Friendship Heights
- Gaithersburg
- Garrett Park
- Glen Echo
- Kensington
- Laytonsville
- Martin's Addition
- North Chevy Chase
- Oakmont
- Poolesville
- Rockville
- Somerset
- Takoma Park
- Washington Grove

When fully implemented, Bill 2-22 will double the County's reimbursement for municipally delivered services from \$10.1 million for FY22 to \$20.5 million.⁵ The bill requires an 80 percent phase in for FY23, a 90 percent phase-in for FY24, and a complete phase in for FY25.⁶ Expedited Bill 2-22 was introduced to the Council on January 11, 2022.⁷

ANTICIPATED RESJ IMPACTS

While Expedited Bill 2-22 will transfer \$10.4 million in annual operating funds from the County to 20 municipalities, OLO does not anticipate this bill will impact racial equity and social justice as the demographics of County residents who are losing revenue are comparable to the demographics of the municipalities receiving additional revenue.

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More specifically, about 60 percent of County residents are White, regardless of Hispanic origin, compared to 57 percent of residents in the County's 20 municipalities.⁸ Since people of color account for similar shares of residents losing County revenue (non-municipal residents) and receiving County revenue (municipal residents), OLO finds that Expedited Bill 2-22 will yield little to no impact on racial equity and 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.

CAVEATS

¹ Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools <https://www.racialequitytools.org/glossary>

² Ibid

³ Montgomery County Council, Bill 2-22, Montgomery County Municipal Revenue Program – Amendments, Introduced January 11, 2022

⁴ Office of Management and Budget. Montgomery County, Fiscal Impact Statement for Chapter 30-A-Montgomery County Municipal Revenue Program – Amendments, included in packet for Expedited Bill 2-22 (Christine Wellons memorandum to County Council, Expedited Bill 2-22, Montgomery County Municipal Revenue Program – Amendments, January 11, 2022)

⁵ Ibid

⁶ Montgomery County Council, Bill 2-22

⁷ Christine Wellons memorandum to County Council, Expedited Bill 2-22, Montgomery County Municipal Revenue Program – Amendments, January 11, 2022

⁸ OLO staff analysis of available Census and American Community Survey data by jurisdiction