

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 24-25: TRANSPORTATION DEMAND MANAGEMENT – REPEAL

SUMMARY

Based on available information and limited timeframe, the Office of Legislative Oversight (OLO) cannot estimate the anticipated impact of Bill 24-25 on racial equity and social justice (RESJ) in the County. An analysis of the Bill would require data on the Transportation Demand Management (TDM) program to determine its impact on transportation outcomes by race and ethnicity and on transportation inequities in the County. As the County's Office of the Inspector General found reporting on the effectiveness of the program incomplete, OLO is unable to ascertain the impact of the TDM program.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 24-25

In Montgomery County, Transportation Management Districts (TMDs) were created in the 1980s. There are six districts: Friendship Heights, Silver Spring, Downtown Bethesda, North Bethesda, Greater Shady Grove, and White Oak.³ The goals of TMDs are to:

- Cut traffic congestion
- Increase transportation capacity
- Reduce air and noise pollution; and
- Promote bicycle and pedestrian access.⁴

In 2006, the Montgomery County Council passed a bill that created a program for Transportation Demand Management (TDM) fees and requirements. For employers located in a TMD that retain 25 or more full- or part-time employees, they are required under County law to submit a TDM plan within 90 days after the Department of Transportation (DOT) notifies the business. Employers are also required to participate in a commuter survey and submit an annual report of employer actions to assist with reducing traffic congestion.⁵

Changes to the TDM program were enacted by the Council in 2019 and expanded the County's use of TDM. It expanded the requirements as it increased the number of employers required to submit TDM plans, increased the requirements on new and existing commercial buildings, and created new requirements for residential multi-family buildings.⁶

The purpose of Bill 24-25 is to repeal the entire TDM plan and fees and requirements that were established by the 2006 Bill and the 2019 updates to the law. The Bill would sunset the current TDM program and the program would officially end on December 31, 2025.⁷

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There are a few reasons why it is suggested the Council should repeal the TDM plan as explained in the staff introduction report including:

- A 2016 audit conducted by the County’s Inspector General (IG) found “inadequate oversight of compliance from employers related to TDM plans, inadequate survey results, and departmental non-compliance in publishing biennial reports as mandated by County Code.”⁸ A second audit conducted in 2025 by the IG found no improvement in compliance with the program and that DOT did not ensure employers complied with TDM plans or submit commuter surveys.⁹
- The goals set in Non-Auto Driver Mode Share (NADMS) included in the County’s Growth and Infrastructure Plan (GIP) are similar to TDM plan goals. Despite a lack of oversight in compliance with TDM goals, it was reported in a 2024 staff report for a joint Transportation and Environment/Economic Development Committee session that all five TMD areas reached their NADMS goals due to high public transit ridership in these areas.¹⁰
- In a memorandum from Councilmember Marilyn Balcombe, the lead sponsor of this Bill, it was stated that “given the significant change in our telework environment, the increasing complexity of the TDM program, and the report inefficiency of the existing program, repealing the existing TDM law is the best path forward.”¹¹

Bill 24-25, Transportation Demand Management – Repeal was introduced by the County Council on June 17, 2025.¹²

ANTICIPATED RESJ IMPACTS

Due to the complexity of the proposed changes, determining the RESJ impact of Bill 24-25 would require a detailed investigation of how the TDM program has affected transportation outcomes by race and ethnicity and how the repeal of the TDM program would affect racial inequities and disparities in transportation in the future. As found in a 2025 report released by the County’s Office of the Inspector General, reporting on the effectiveness of the TDM program is incomplete, and OLO would not be able to ascertain the impacts of the TDM program.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹³ The analysis for Bill 24-25 is outside of the scope of this RESJIS. As such, OLO does not offer recommended amendments.

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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.

¹ Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World](#) and [Racial Equity Tools](#).

² [Ibid.](#)

³ ["Welcome to Your Transportation Management District", Montgomery County Department of Transportation, Accessed 7/1/2025.](#)

⁴ [Ibid.](#)

⁵ [Montgomery County Code, Sec. 42A-24. Transportation Demand Management Plans for Employers, Accessed 7/1/2025.](#)

⁶ [Montgomery County Code, Sec. 42A-24.; "Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

⁷ ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

⁸ ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

⁹ ["Review of the Transportation Management Districts", Office of the Inspector General, March 17, 2025.](#)

¹⁰ ["Executive Regulation 8-21, Transportation Demand Management", Staff Report for Joint Transportation and Environment Committee and Economic Development Committee, July 18, 2024.](#)

¹¹ ["Introduction Staff Report for Bill 24-25, Transportation - Transportation Demand Management - Repeal", Montgomery County Council, Introduced June 17, 2025.](#)

¹² [Ibid.](#)

¹³ [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)