Montgomery County Council

Committee: Directly to Council
Committee Review: N/A
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To receive testimony/final action - vote expected

AGENDA ITEMS #1 & #4E
July 21, 2026
Public Hearing/Action

SUBJECT

Expedited Bill 30-26, Bond Authorization – Stormwater Management

Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A

DESCRIPTION/ISSUE

Expedited Bill 30-26 would authorize the County to issue special limited obligation bonds up to $125 million for the purposes of financing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects, and for refunding all or part of the outstanding special limited obligation bonds issued for such purposes. The bonds will be secured by the County's Water Quality Protection Charge. This authorization does not pledge the full faith and credit and unlimited taxing power of the County. Public hearing of the expedited bill is scheduled for July 21, 2026, with action on the bill the same day, following the public hearing.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:	**© Pages**
County Executive Transmittal	©1
Expedited Bill 30-26	©2
Fiscal Impact Statement	©9
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RESJ Impact Statement	©17

OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 30, 2026

TO: Natali Fani-González, President
Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Legislation Related to Special Limited Obligation Bonds Financed by the Water Quality Protection Charge

Enclosed for your review is a copy of legislation to authorize the County to issue Special Limited Obligation Bonds for the purpose of financing the planning, design, acquisition and the construction of stormwater management facilities. The bill was prepared by the County's bond counsel, McKennon Shelton & Henn LLP and reviewed by the Department of Finance. An Ordinance is necessary to establish the level of debt that may be secured by the Water Quality Protection Charge authorized under Section 19-35 of Chapter 19 of the County Code and to authorize actions by the County Executive to execute documents related to the issuance and delivery of Water Quality Protection Charge Revenue Bonds (the "Bonds").

The Bonds will be sold in one or more series in an aggregate amount not to exceed $125,000,000. The Bonds will be special limited obligations of the County, secured by the Water Quality Protection Charge (WQPC) and will not constitute a pledge of the full faith and credit and unlimited taxing power of the County. The WQPC will be set annually at a rate to provide for payment of debt service on the Bonds and other costs of the stormwater management program authorized to be paid from the Charge.

I recommend that this bill be enacted on an expedited basis to comply with the need for upcoming issuances within the County's Capital Improvement Plan. If you have any questions please contact Michael J. Coveyou, Director of Finance, at extension 7-8870.

Enclosures

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Ken Hartman-Espada, Assistant Chief Administrative Officer
Tricia Swanson, Director of Strategic Partnerships
Michael Coveyour, Director, Department of Finance

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Expedited Bill No.: 30-26
Concerning: Bond Authorization - Stormwater Management
Revised: 6/9/2026 Draft No.: 1
Introduced: June 16, 2026
Expiration: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. ____, Laws of Mont. Co.__

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of County Executive

AN EXPEDITED ACT to:

authorize Montgomery County, Maryland (the "County") to issue special limited obligation bonds for the purposes of financing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects, and for refunding all or part of the outstanding special limited obligation bonds issued for such purposes.

By adding to the Laws of Montgomery County 2026

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. The following is added to the Laws of Montgomery County:

(a) The County may at any time and from time to time sell in one or more series an aggregate principal amount not to exceed $125,000,000 in special limited obligation bonds (the "Bonds") authorized under the authority of Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, (the "State Refunding Act"), Title 4 ("Title 4") of the Environmental Article of the Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement), as amended, Sections 20-47 through 20-54 of Chapter 20 of the Montgomery County Code, as amended ("Chapter 20") and Chapter 19 of the Montgomery County Code, as amended ("Chapter 19" and, together with Chapter 20, the "County Code"), for the purposes of financing and refinancing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects in connection with such facilities as such are included in and approved in the County's Capital Improvements Program.

(b) The Bonds are special limited obligations of the County and shall not constitute a pledge of the full faith and credit and unlimited taxing power of the County. The Bonds must be payable by the County from its water quality protection charges authorized to be imposed on certain real property in the County under Title 4 and Section 19-35 of the County Code (the "Water Quality Protection Charge") and deposited into the stormwater management fund (the "Fund"). To pay the interest of, principal of, and premium, if any, on the Bonds authorized by this Act as debt service becomes due and they respectively mature, the County must determine and impose the Water Quality Protection Charge in each and every fiscal year in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on all Bonds in each such fiscal year and all other costs and expenses authorized for payment and determined to be paid by the County from the Fund in that fiscal year under Chapter 19 of the County Code. In the event that the amounts derived from the Water Quality Protection Charge imposed in any fiscal year prove inadequate for the above purposes, additional charges must be imposed in the succeeding fiscal year to make up any deficiency. The County may apply to the payment of the principal of and interest on the Bonds and such other costs and expenses any other funds legally available and deposited to the Fund and, to the extent such funds are received or are receivable in any fiscal year, the amount of the Water Quality Protection Charge required to be imposed may be reduced accordingly.

(c) The County Executive may determine to issue a portion of the Bonds as refunding bonds under the State Refunding Act to refund all or a portion of outstanding special limited obligation bonds previously issued and payable with the Water Quality Protection Charge and any other funds legally available and deposited to the Fund and, to the extent such funds are received or are receivable in any fiscal year, for the purposes of refinancing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects in connection with such facilities as such are included in and approved in the County's Capital Improvements Program.

(d) The Bonds may be sold for a price below, at or above par, plus accrued interest to the date of delivery. The County Executive of the County (the "County Executive") may sell the Bonds through a public sale or through a private (negotiated) sale without solicitation of competitive bids, as the County Executive by executive order ("Executive Order"), upon consultation with the Director of Finance finds to be in the best interests of the County. Any sale of the Bonds by private negotiation is hereby determined to be for the County's best interest.

(e) Subject to and in accordance with the provisions of this Act, the County Executive may determine by Executive Order, for each and every Bond or series of Bonds issued under this Act, all matters relating to the sale, issuance, delivery and payment of the Bonds, including (without limitation) the purposes for which such Bonds are issued, the date or dates of sale of the Bonds, the designation of the Bonds, the date of delivery of the Bonds, the authorized denominations for the Bonds, the redemption provisions, if any, pertaining to the Bonds, the manner of authentication and numbering of the Bonds, the date from which interest on the Bonds shall accrue, the rate or rates of interest borne by the Bonds or the method of determining the same, the interest payment and maturity dates of the Bonds, including provisions for mandatory sinking fund redemption of any term bonds, the forms of the Bonds, the designation of the Bonds as tax-exempt or taxable, whether the Bonds are to be issued in book-entry form and all matters incident to the issuance of Bonds in book-entry form and the provisions for the registration of Bonds. The execution and delivery of Bonds is conclusive evidence of the approval of all terms and provisions of such Bonds on behalf of the County.

(f) Except as otherwise provided in an Executive Order, the Bonds must be executed in the name of the County and on its behalf by the County Executive, whose signature may be by facsimile, an original or facsimile of the official seal of the County must be imprinted or otherwise reproduced thereon, attested by the manual or facsimile signature of the Director of Finance, and authenticated by the manual or facsimile signature of the Paying Agent/Registrar or any designated signer.

(g) The County hereby covenants that if the County Executive determines to issue the Bonds as tax-exempt bonds or bonds that must comply with regulations regarding tax-exempt bonds, it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986 (the "Code"), applicable to the Bonds issued as tax-exempt bonds in order to preserve the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Without limiting the generality of the preceding sentence, (1) the County must not use or permit the use of any of the proceeds of the Bonds issued as tax-exempt bonds in such manner as would cause the interest on the Bonds to be included in gross income for Federal income tax purposes, (2) the County must regulate the investment of the proceeds of the Bonds so as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (3) the County must, if and to the extent necessary, make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (4) the County must prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, or any successor or additional form required by the Internal Revenue Service, and (5) the County Executive or a designee of the County Executive must prepare and execute and certify any other document that may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

(h) In connection with the issuance of any Bonds under this Act, the County may enter into one or more agreements as the County Executive deems necessary or appropriate for the issuance, sale, delivery or security of such Bonds, which may include (without limitation) (1) underwriting, purchase, loan or placement agreements for Bonds sold at private (negotiated) sale in accordance with the provisions of this Act; (2) trust agreements and escrow deposit agreements with commercial banks or trust companies providing for the issuance and security of such Bonds; (3) any dealer, remarketing or similar agreements providing for the placement or remarketing of such Bonds; (4) agreements providing for any insurance, credit, or liquidity facilities supporting any Bonds; (5) agreements with commercial banks or trust companies providing for the deposit of proceeds of any Bonds and the purchase and deposit of securities in escrow deposit accounts or funds; (6) agreements with fiscal agents providing for the issuance of Bonds, their authentication, registration or payment or other similar services; (7) agreements with accountants and other firms providing verification services to serve as verification agent, and (8) continuing disclosure agreements, including any such agreements required to enable the underwriters of any Bonds to meet the requirements of paragraph (b)(5) of Rule l5c2-12 promulgated by the United States Securities and Exchange Commission. Each such agreement shall be in such form and executed in the manner as determined by the County Executive by Executive Order.

(i) The County Executive, the Chief Administrative Officer of the County, the County Attorney, the Director of Finance of the County and the Clerk of the Council, for and on behalf of the County, may do all things, execute all instruments, authorize the preparation and distribution of a preliminary and a final official statement or other disclosure document and otherwise take all such action as may be necessary, proper or expedient to carry out the authority conferred by this Act.

(j) The issuance and sale of any bonds under this Act are exempt from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as amended.

Section 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Fiscal Impact Statement

Office of Management and Budget

Bill XX-26	Bond Authorization - Stormwater Management
Bill Summary	Bill XX-26 concerns the issuance of debt backed by the Water Quality Protection Charge (WQPC). Formal approval by the County Council is one of the steps in the process. In this case, the bonds authorized may not exceed $125,000,000 and must be used for planning, design, acquisition, construction, and maintenance of stormwater management facilities, other related projects, and to refund prior WQPC bonds for debt service savings. The bonds will be Special Limited Obligations of the County secured by the WQPC and will not constitute a pledge of the full faith and credit and unlimited taxing power of the County.
Fiscal Impact Summary	Bill XX-26 provides new bonding authority to refund previously issued bonds and to construct new or maintain existing projects as provided in the FY25-30 Amended Capital Improvements Program. The legislation does not alter the revenue or expense assumptions that supported the FY25-30 Amended Capital Improvements Program and thus is not expected to impact revenues or expenditures.
Fiscal Impact Analysis	Bill XX-26 provides the bond authority needed to refund outstanding WQPC-backed debt and construct new projects in line with the FY25-30 Amended capital budget. WQPC revenues and expenditures were reviewed at that time and this legislation does not alter those projections or the assumptions upon which they were based.
Staff Impact	The bill is not expected to impact staff time or duties.
Actuarial Analysis	The bill is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
Other Information	
Later actions that may impact revenue or expenditures if future spending is projected	The bill does not authorize future spending.
Contributors	Joe Mason, Department of Finance Richard H. Harris, Office of Management and Budget

LEGISLATIVE REQUEST REPORT

Bill _________

COUNTY BOND AUTHORIZATION LEGISLATION

REQUIRED TO FINANCE APPROVED STORMWATER MANAGEMENT CAPITAL PROJECTS

DESCRIPTION:	Legislation to authorize the issuance of special obligation bonds in an amount not to exceed $125,000,000. The Bonds will be Special Limited Obligations of the County secured by the Water Quality Protection Charge and will not constitute a pledge of the full faith and credit and unlimited taxing power of the County.
PROBLEM:	An Ordinance is necessary to establish the level of debt that may be secured by the Water Quality Protection Charge authorized under Section 19-35 of Chapter 19 of the County Code and to authorize actions by the County Executive to execute documents related to the issuance and delivery of Water Quality Protection Charge Revenue Bonds (the "Bonds").
GOALS & OBJECTIVES:	The goal is to provide new bond authorization for the planning, design, acquisition and construction of stormwater management facilities and other related projects. The proceeds will fund projects in the Conservation of Natural Resources category that were approved for long-term financing in the Fiscal Years 2025-2030 Capital Improvements Program
COORDINATION:	This bill is new legislation that does not duplicate or overlap existing law.
FISCAL IMPACT:	The bill is to provide new, additional bond authorization to fund project appropriations approved in the FY25-30 CIP which will be financed from future bond issues, therefore there is no direct impact.
EVALUATION:	N/A
EXPERIENCE ELSEWHERE:	N/A
SOURCE OF INFORMATION:	Michael Coveyou, Director of Finance, 240-777-8870

OFFICE OF THE COUNTY ATTORNEY

Marc Elrich
County Executive

Marc P. Hansen
County Attorney

M E M O R A N D U M

TO: Marc Elrich, County Executive
Offices of the County Executive

VIA: Marc P. Hansen Marc Hansen
County Attorney

FROM: Taggart B. Hutchinson Taggart Hutchinson
Associate County Attorney

DATE: April 26, 2021

RE: Bond Orders – Exemption from County Attorney Approval

Montgomery County has the authority to issue bonds or other debt obligations (bonds) to finance public facilities under Article III and IV of Chapter 20 of the Montgomery County Code and Section 9-212 of the Local Government Article of the Annotated Code of Maryland. These provisions establish the actions that must be taken to issue bonds, all of which are initiated by an Executive Order of the County Executive.

The procedure for issuance and maintenance of Executive Orders appears in Administrative Procedure 1-3, wherein Section 4.1 provides:

> All Executive Orders must be approved as to form and legality by the County Attorney. Standard Executive Orders which address routine subject matter…may be exempted from County Attorney approval provided that the text for such orders has been approved by the County Attorney and that approval is on file with the Office of the County Executive.

In order to authorize the sale of bonds, the Department of Finance routinely submits Executive Orders, also known as "Bond Orders," to the County Executive for signature. The Bond Orders are prepared by the County's bond counsel who is engaged by the County Attorney, under Section 213 of the Montgomery County Charter. On bond-related matters the County's bond counsel is authorized to act as the attorney for the County. Approval of the Bond Orders,

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as to form and legality, by the County's bond counsel satisfies the requirement of Administrative Procedure 1-3 and further review and signature of the Bond Orders by the County Attorney, as to form and legality is unnecessary.

A copy of this approval should be kept on file in the Office of the County Executive. If you have any questions or need additional information about this matter, please contact me at extension 7-6734

cc: Mike Coveyou, Director, Department of Finance.

Climate Assessment

Office of Legislative Oversight

EXPEDITED BILL 30-26: BOND AUTHORIZATION – STORMWATER MANAGEMENT

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 30-26 will have an indeterminate impact on the County's contribution to addressing climate change, including climate community resilience. The Bill would authorize the County to issue limited obligation bonds up to $125 million that would fund projects related to stormwater management, which would likely improve climate community resilience. However, OLO is unable to ascertain how many projects would be able to proceed as a direct result of this Bill's passing and subsequent bonds authorized.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 30-26

The Capital Improvements Program (CIP) refers to the County's budget for capital improvements. Capital improvements are long-term investments for public facilities and infrastructure such as buildings, roads, or water. These investments often take years to build, and their costs may be distributed over time.[1]

Expedited Bill 30-26 would authorize the County to issue special limited obligation bonds up to $125 million for the purposes of:

- financing the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects; and
- refunding all or part of the outstanding special limited obligation bonds issued for such purposes.[2]

Unlike General Obligation (GO) bonds, this bond authorization does not pledge the full faith and credit and unlimited taxing power of the County. Instead, the bonds will be secured by the County's Water Quality Protection Charge (WQPC), which is paid by all property owners in the County.[3] The bond proceeds will fund projects in the Conservation of Natural Resources category that were approved for long-term financing in the FY25-30 CIP.[4]

The Council introduced Expedited Bill 30-26 at the County Executive's request on June 16, 2026.

ANTICIPATED IMPACTS

In Montgomery County, all property owners are charged on how much of their property is impervious, and the charge is assessed annually along with property tax bills. Revenue from the WQPC is used to fund "Clean Water Montgomery" initiatives which includes projects such as restoring streams, monitoring streams, cleaning and maintaining storm drains, inspecting stormwater management practices, protecting water quality and wildlife habitats, and flooding prevention.[5]

Some ongoing projects funded by the WQPC include:

- **Countywide Retrofit of Stormwater Management Facilities** – This includes new or upgraded stormwater management ponds, environmental site design for new construction, and stream restorations. This project could increase community climate resilience by improving water quality as well as managing flood risks across the County.[6] To a smaller degree, environmental site design, depending on the design elements, could reduce greenhouse gas emissions associated with construction and operations of facilities built under these design elements. While environmental site design is mostly centered around reducing runoff and protecting water quality, there are some design elements like green roofs, adding green spaces, and other sustainable design elements which can reduce energy use associated with operations.[7]
- **Storm Drain Culvert Replacement** – This project will replace failed storm drain pipes and culverts throughout the County.[8] Upgraded stormwater infrastructure, especially those that consider current and future flood risks exacerbated by climate change, can help communities withstand extreme weather and flooding.[9]
- **General Repair of Best Management Practices (BMPs) and Stream Assets** – This project funds activities needed for construction of repair sub-projects for stormwater management facilities along with stream restoration assets.[10] These projects can increase climate resilience by addressing sediment erosion impacts of more severe storms.[11]

According to the FY27 budget, funding of the WQPC comes from a variety of sources and the top three are:

- Water quality protection bonds account for 39% of funding with $231 million;
- Tax revenue accounts for 26% of funding with $154 million; and
- Long-term financing accounts for 22.8% with $135 million.[12]

Any additional bonds approved by the County would increase the amount of funds available for stormwater management projects approved for long-term financing in the FY25-30 CIP.[13] However, OLO is unable to ascertain how many projects would be able to proceed as a direct result of this Bill's passing and subsequent bonds authorized. OLO notes most stormwater management projects would have a positive impact on the County's climate community resilience, as many projects address current and future flood risks and the protection of water quality.

As the Bill would authorize the County to issue limited obligation bonds up to $125 million for projects related to stormwater management but does not specify the amount to be issued nor the specifics of projects to be funded via these bonds, OLO anticipates Expedited Bill 30-26 will have an indeterminate impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[14] OLO does not offer recommendations or amendments as Expedited Bill 30-26 is likely to have an indeterminate impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. 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.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help increase the County's community climate resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

[1] Montgomery County Capital Budget, Office of Management and Budget.
[2] Introduction Staff Report for Expedited Bill 30-26, Montgomery County Council, Introduced June 16, 2026.

[3] "The Water Quality Protection Charge (WQPC) funds many of the County's Clean Water Montgomery initiatives. Examples include restoring streams, monitoring streams, cleaning and maintaining storm drains, inspecting stormwater management practices, protecting water quality and wildlife habitat, and flooding prevention activities. The WQPC is assessed along with the annual property tax bill on July 1st each year."
Water Quality Protection Charge, Montgomery County Maryland Department of Environmental Protection.
[4] Introduction Staff Report for Expedited Bill 30-26, Montgomery County Council, Introduced June 16, 2026.
[5] Water Quality Protection Charge, Montgomery County Maryland Department of Environmental Protection.
[6] Stormwater Management Retrofit: Countywide (P808726), Montgomery County, MD Capital Budget, FY27.
[7] Environmental Site Design, Maryland Department of the Environment, Accessed 7/13/2026.
[8] Storm Drain Culvert Replacement (P501470), Montgomery County, MD Capital Budget, FY27.
[9] 2025 Report Card for America's Infrastructure - Stormwater, American Society of Civil Engineers, 2025.
[10] General Repair of BMPs and Stream Assets (P802506), Montgomery County, MD Capital Budget, FY27.
[11] General Repair of BMPs and Stream Assets (P802506), Montgomery County, MD Capital Budget, FY27.
[12] Conservation of Natural Resources Projects, Montgomery County, MD Capital Budget, FY27.
[13] Introduction Staff Report for Expedited Bill 30-26, Montgomery County Council, Introduced June 16, 2026.
[14] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED BILL 30-26: BOND AUTHORIZATION - STORMWATER MANAGEMENT

SUMMARY

The Office of Legislative Oversight (OLO) finds the anticipated racial equity and social justice (RESJ) impact of Expedited Bill 30-26 is indeterminate.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) 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, leadership, and power 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 30-26

The Capital Improvements Program (CIP) refers to the County's budget for capital improvements. Capital improvements are long-term investments for public facilities and infrastructure such as buildings, roads, or water. These investments often take years to build, and their costs may be distributed over time.[3]

Expedited Bill 30-26 would authorize the County to issue special limited obligation bonds up to $125 million to:

- Finance the planning, design, acquisition, and construction and maintenance of stormwater management facilities and other related projects; and

- Refund all or part of the outstanding special limited obligation bonds issued for such purposes.[4]

Unlike General Obligation (GO) bonds, this bond authorization does not pledge the full faith, credit, and unlimited taxing power of the County. Instead, the special limited obligation bonds authorized by Expedited Bill 30-26 will be secured by the County's Water Quality Protection Charge (WQPC), which is paid by all property owners in the County.[5] The proceeds of these special limited obligation bonds will fund projects in the CIP's Conservation of Natural Resources category that were approved for long-term financing in the FY25-30 CIP.[6]

The Council introduced Expedited Bill 30-26 at the County Executive's request on June 16, 2026.

This RESJIS builds on the following:

- RESJIS for Expedited Bill 15-25, Special Capital Improvement Project – New Organics Processing Facility;[7] and
- RESJIS for Expedited Bill 26-23, Capital Improvements Program – White Flint Fire Station.[8] Please refer to this RESJIS for background on capital improvement planning and racial equity.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Expedited Bill 30-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

There are several unknown factors for understanding these two questions, including:

- How current CIP funding is allocated per capita by race, ethnicity, income, and/or Census tract and how this compares to prior years;
- Whether racial and social disparities in storm water management exist in the County and if future investments funded by special limited obligation bonds will be targeted to narrow these disparities; and
- How prior CIP funding has been allocated to vendors by race and ethnicity.

These benchmarks are necessary to discern how increased funding for the current CIP through the authorization of special limited obligation bonds could affect community members and local businesses by race and ethnicity. Further, anticipating the RESJ impact of Bill 30-26 also requires a RESJ analysis of the tradeoff of shifting funding from County programs to debt service in the County's operating budget in future years. Outstanding questions include:

- What programs and services would be cut to offset the increase in debt service in the operating budget?
- What demographic groups by race, ethnicity, or income would be most harmed by these shifts?
- What neighborhoods would be most harmed?
- How do these impacts compare to the demographic groups or neighborhoods that benefit most from CIP investments?

Given the unknown factors, OLO finds the anticipated RESJ impact of Expedited Bill 30-26 is indeterminate.

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.[9] OLO finds the anticipated impact of Bill 30-26 is indeterminate. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, the following policy options can be considered:

- **Commission equity review of the Capital Improvements Program.** To understand and address potential racial inequities in capital investments, the Council could consider commissioning a comprehensive equity review of the CIP. For instance, in 2019, the Baltimore City Department of Planning (DoP) partnered with the Baltimore Neighborhood Indicators Alliance (BNIA) to develop a methodology for conducting an annual equity analysis of the City's CIP.[10] Since the release of the original report, DoP has continued an annual equity review of the CIP through analyzing CIP investments in the City's 55 Community Statistical Areas (CSAs) along with the CSAs' race and income demographics.[11,12] The analysis also accounts for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or citywide impacts.

- **Increase access to CIP construction opportunities for Black, Indigenous, and Other People of Color (BIPOC)-owned businesses and workers.** The County's 2024 Disparity Study found that compared to their availability in the marketplace, Black, Native American, and Asian-owned firms are underutilized in County procurement contracts for construction. Conversely, White male and Latinx-owned firms are overutilized.[13] The Council could advance RESJ by supporting efforts to proactively identify and contract Black, Native American, and Asian-owned businesses for CIP projects. PolicyLink's "Strategies for Addressing Equity in Infrastructure and Public Works" offers best practices for incorporating historically excluded workers and businesses into employment and procurement opportunities.[14]

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.

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[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 Capital Budget, Office of Management and Budget.
[4] Introduction Staff Report for Expedited Bill 30-26, Montgomery County Council, Introduced June 16, 2026.
[5] "The Water Quality Protection Charge (WQPC) funds many of the County's Clean Water Montgomery initiatives. Examples include restoring streams, monitoring streams, cleaning and maintaining storm drains, inspecting stormwater management practices, protecting water quality and wildlife habitat, and flooding prevention activities. The WQPC is assessed along with the annual property tax bill on July 1st each year."
Water Quality Protection Charge, Montgomery County Maryland Department of Environmental Protection.
[6] Introduction Staff Report for Expedited Bill 30-26, Montgomery County Council, Introduced June 16, 2026.
[7] RESJIS for Expedited Bill 15-25
[8] RESJIS for Expedited Bill 26-23
[9] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council
[10] Baltimore Neighborhood Indicators Alliance, "Equity Analysis of Baltimore City's Capital Improvement Plan, FY 2014 – FY 2020", Baltimore City Department of Planning, August 2019.
[11] CIP and Equity, Baltimore City Department of Planning.
[12] Community Statistical Areas, developed by the City's DoP, are clusters of neighborhoods organized around census tract boundaries. Refer to Vital Signs: Community Statistical Areas, Baltimore Neighborhoods Indicators Alliance.
[13] MGT, "Montgomery County, MD 2024 Disparity Study," Office of Procurement, September 23, 2024, pg. 60.
[14] Kalima Rose and Judith Dangerfield, "Strategies for Addressing Equity in Infrastructure and Public Works," PolicyLink.