


Subject: Introduction – Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments
Purpose: To introduce agenda item – no vote expected
Analyst: Robert H. Drummer, Senior Legislative Attorney 
Keywords: #MoCoEconomicImpact Other search terms: Economic impact statements, Office of Legislative Oversight, legislative analysis

EXPECTED ATTENDEES

None.

DESCRIPTION/ISSUE

This Bill would require the Director of the Office of Legislative Oversight to prepare an economic impact statement (EIS) for each bill. It would also amend the required contents of an EIS and require an EIS for each bill before it is enacted.

This report contains:

Detailed Staff Report

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MEMORANDUM

May 2, 2019

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments

PURPOSE: Introduction – no Council votes required

Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments, sponsored by Lead Sponsor Councilmember Friedson, and Co-Sponsors Councilmember Alborno, Council President Navarro, Council Vice President Katz, Councilmember Rice, and Councilmember Glass, is scheduled to be introduced on May 7, 2019. A public hearing is tentatively scheduled for June 11 at 1:30 p.m.¹

Bill 10-19 would:

- require the Director of the Office of Legislative Oversight to prepare an economic impact statement for each bill; and
- modify the required contents of an economic impact statement.

Background

Bill 47-10, Administration – Legislative Branch – County Council – Economic Impact Statements, enacted on October 5, 2010 and signed into law on October 12, 2010 required the Director of Finance to submit an economic impact statement to the Council for each bill before it was enacted. Although the Director has submitted economic impact statements for pending bills, the analysis has not always been as helpful as the Council had hoped. Bill 10-19 would enhance the description of the required contents of an economic impact statement and move the responsibility to the Director of the Office of Legislative Oversight. Although this change is likely to require additional staffing for the Legislative Branch, the Bill would increase the Council’s control over the work product.

Under current law, the Finance Director’s failure to submit an economic impact statement would not invalidate an otherwise valid law. Bill 10-19 would only retain this provision for an expedited bill.

This packet contains:	<u>Circle #</u>
Bill 10-19	1
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Bill No. 10 -19
Concerning: Legislative Branch -
Economic Impact Statements -
Amendments
Revised: April 30, 2019 Draft No. 5
Introduced: May 7, 2019
Expires: November 7, 2020
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson
Co-Sponsors: Councilmember Alborno, Council President Navarro, Council Vice President Katz,
Councilmember Rice, and Councilmember Glass

AN ACT to:

- (1) require the Director of the Office of Legislative Oversight to prepare an economic impact statement for each bill;
- (2) amend the required contents of an economic impact statement;
- (3) require an economic impact statement for each bill before it is enacted; and
- (4) generally amend the law governing the enactment of legislation.

By amending

Montgomery County Code
Chapter 2, Administration
Article IV, Legislative Branch
Section 2-81B

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

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

1 **Sec. 1. Section 2-81B is amended as follows:**

2 **2-81B. Economic Impact Statements.**

3 (a) *Definitions.* In this Section, the following words and phrases have the
4 following meanings:

5 *Director* means the Director of the [Department of Finance] Office of
6 Legislative Oversight.

7 *Economic impact* means an estimate of the costs [and] and/or benefits to
8 private organizations and individuals in the County attributable to a
9 change in the law.

10 (b) *Economic impact statements.* The Director must submit a statement to
11 the Council describing the economic impact, if any, of each bill under
12 consideration by the Council. The Director must submit a separate
13 statement for each bill.

14 (c) *Time for submission.* An economic impact statement should be submitted
15 to the Council[:

16 (1) no later than 7 days before the public hearing on each bill
17 introduced by the Council President at the request of the County
18 Executive; and

19 (2)] no more than 21 days after a bill [sponsored by a Councilmember]
20 is introduced.

21 If the Director is unable to submit the statement within the time required
22 by paragraph (2), the Director must notify the Council President in
23 writing of the delay, the reason for the delay, and the revised delivery
24 date. If the Council President finds that the revised delivery date is
25 unreasonable, the Council President may set a different delivery deadline.

26 (d) *Content of economic impact statement.* Each economic impact statement
27 must include:

- 28 (1) the sources of information, assumptions, and methodologies [uses]
- 29 used;
- 30 (2) a description of any variable that could affect economic impact
- 31 estimates;
- 32 (3) the bill's potential positive or negative [effect] effects, if any, on
- 33 [employment, spending, saving, investment, incomes, and
- 34 property values in the County] the County's workforce, taxation
- 35 policy, property values, incomes, operating costs to businesses and
- 36 non-profits operating in the County, capital investment from the
- 37 private sector, economic development, and the County's
- 38 competitiveness; and
- 39 (4) if a bill is likely to have no economic impact, why that is the case.
- 40 (e) *Compliance.* Council action on [a] an expedited bill that is otherwise
- 41 valid is not invalid because of any failure to follow the requirements of
- 42 this Section.

Sec. 2. Effective date.

This Act must take effect on January 1, 2020 and apply to each Bill that is introduced after this Act takes effect.

46 *Approved:*

47 _____
Nancy Navarro, President, County Council

_____ Date

48 *Approved:*

49 _____
Marc Elrich, County Executive

_____ Date

LEGISLATIVE REQUEST REPORT

Bill 10-19

Legislative Branch – Economic Impact Statements - Amendments

DESCRIPTION: Bill 10-19 would require the Director of the Office of Legislative Oversight to prepare an economic impact statement for each bill and amend the required contents of an economic impact statement.

PROBLEM: The Council needs more complete analysis of the economic impact of a Bill.

GOALS AND OBJECTIVES: The goal is to increase the Council's control over the analysis in an EIS by moving the responsibility to the Office of Legislative Oversight.

COORDINATION: Finance, OLO

FISCAL IMPACT: To be provided

ECONOMIC IMPACT: To be provided

EVALUATION: To be provided

EXPERIENCE ELSEWHERE: N/A

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A

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