

Subject: Public Hearing – Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments	
Purpose: To receive testimony – no vote expected	
Analyst: Robert H. Drummer, Senior Legislative Attorney	Committee: GO
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 instead of the Director of Finance. 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

1

F:\LAW\BILLS\1910 Legislative Branch - Economic Impact Statements - Amendments\PH Cover Sheet.Docx

Alternative format requests for people with disabilities. If you need assistance accessing this report you may submit alternative format requests to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

MEMORANDUM

June 6, 2019

TO: County Council
FROM: Robert H. Drummer, Senior Legislative Attorney
SUBJECT: Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments
PURPOSE: Public Hearing – 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, Councilmembers Rice, Glass, Huckler, Riemer and Jawando, was introduced on May 7, 2019. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for July 15 at 2:00 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
Legislative Request Report	4
Fiscal and Economic Impact statement	5

F:\LAW\BILLS\1910 Legislative Branch - Economic Impact Statements - Amendments\PH Memo.Docx

¹#MoCoEconomicImpact

Other search terms: Economic impact statements, Office of Legislative Oversight, legislative analysis

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,
Councilmembers Rice, Glass, Hucker, Riemer and Jawando

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.

Approved:

Nancy Navarro, President, County Council

Date

Approved:

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

F:\LAW\BILLS\1910 Legislative Branch - Economic Impact Statements - Amendments\LRR.docx



OFFICE OF MANAGEMENT AND BUDGET

Marc Elrich
County Executive

Richard S. Madaleno
Director

MEMORANDUM

May 23, 2019

TO: Nancy Navarro, President, County Council

FROM: Richard S. Madaleno, Director, Office of Management and Budget *RSM*
Michael Coveyou, Acting Director, Department of Finance *MC*

SUBJECT: Economic and Fiscal Impact Statement for Bill 10-19, Legislative Branch -
Economic Impact Statements - Amendments

Please find attached the Economic and Fiscal Impact Statement for Bill 10-19,
Legislative Branch - Economic Impact Statements – Amendments.

RSM:aa

cc: Andrew Kleine, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
Debbie Spielberg, Special Assistant to the County Executive
Dale Tibbitts, Special Assistant to the County Executive
Lisa Austin, Office of the County Executive
Ohene Gyapong, Acting Director, Public Information Office
David Platt, Department of Finance
Dennis Hetman, Department of Finance
Anita Aryeetey, Office of Management and Budget
Monika Coble, Office of Management and Budget
Chrissy Mireles, Office of Management and Budget

Office of the Director

101 Monroe Street, 14th Floor • Rockville, Maryland 20850 • 240-777-2800
www.montgomerycountymd.gov/omb

Fiscal Impact Statement
Bill 10-19, Legislative Branch – Economic Impact Statements - Amendments

1. **Legislative Summary.** This legislation would require the Director of the Office of Legislative Oversight (OLO) to prepare economic impact statements for each proposed legislation (bill). Bill 10-19 also modifies the required contents of an economic impact statement and transfers the responsibility of preparing an economic impact statement from the Director of Finance to the Director of OLO.
2. **An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**
There will be minimal change in expenditures and revenues. OLO will fund this position by reallocating other personnel and operating expenses within their budget.
3. **Revenue and expenditure estimates covering at least the next 6 fiscal years.**
No change from the current budget.
4. **An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**
There will be no change in group insurance costs and retirement cost changes will be negligible.
5. **An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**
None
6. **Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**
None
7. **An estimate of the staff time needed to implement the bill.**
OLO estimates between 40 and 60 hours to create and hire the new position.
8. **An explanation of how the addition of new staff responsibilities would affect other duties.**
This is a new function being added to OLO to effectively fulfill the requirements of the bill. Any other related personnel actions will have a minimal impact on the level of service currently provided by OLO.
9. **An estimate of costs when an additional appropriation is needed.**
No additional appropriation is anticipated.
10. **A description of any variable that could affect revenue and cost estimates.**
None.
11. **Ranges of revenue or expenditures that are uncertain or difficult to project.**
None.
12. **If a bill is likely to have no fiscal impact, why that is the case.**
See previous statements to questions #2 through #11.

13. Other fiscal impacts or comments.


None

14. The following contributed to and concurred with this analysis:

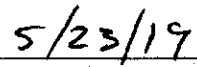
Chris Cihlar and Blaise DeFazio, Office of Legislative Oversight

David Platt, Department of Finance

Anita Aryeetey, Office of Management and Budget



Richard S. Madaleno, Director
Office of Management and Budget



Date

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

Background:

This legislation would require the Director of the Office of Legislative Oversight (OLO) to prepare economic impact statements for each proposed legislation (bill). Bill 10-19 also modifies the required contents of an economic impact statement and transfers the responsibility of preparing an economic impact statement from the Director of Finance to the Director of OLO.

1. The sources of information, assumptions, and methodologies used.

No sources of information, assumptions, or methodologies were used in the preparation of the economic impact statement.

2. A description of any variable that could affect the economic impact estimates.

None

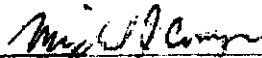
3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.

Bill 10-19 transfers responsibility of preparing economic impact statements for each bill from the Director of Finance to the Director of the Office of Legislative Oversight. This legislation has no economic impact.

4. If a Bill is likely to have no economic impact, why is that the case?

Please see paragraph #3.

5. The following contributed to or concurred with this analysis: David Platt, Department of Finance.



Michael Coveyou, Acting Director
Department of Finance

5/19/19

Date