

# Economic Impact Statement

Office of Legislative Oversight

## EXPEDITED BILL 1-21

## Growth and Infrastructure Policy – Renamed – Expedited Development Approval Excise Tax – Repealed

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Expedited Bill 1-21 would have an insignificant impact on economic conditions in the County.

### BACKGROUND

In November, the Council decided to rename the Subdivision Staging Policy (SSP) as the “Growth and Infrastructure Policy.” Expedited Bill 1-21, introduced on January 12, 2020, would replace references to the Subdivision Staging Policy with the Growth and Infrastructure Policy throughout the County Code. In addition, the bill would repeal the Expedited Development Approval Excise Tax.<sup>1</sup>

### METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Repealing any tax imposed on private organizations and/or residents would impact economic conditions in the County. However, the Expedited Development Approval Excise Tax that Expedited Bill 1-21 would repeal is “obsolete.” As Robert Drummer, Senior Legislative Attorney, writes in his memorandum to the County Council, “Finance and the Planning Board staff each confirmed ... that the County has not collected this excise tax in recent years,” due to the Council’s elimination of the Alternative Review Procedure for expedited Development Approval from the SSP over 10 years ago.<sup>2</sup> Because the tax is obsolete, its repeal would not impact economic conditions in the County.

### VARIABLES

Not applicable

<sup>1</sup> Montgomery County Council, Expedited Bill 1-21, Growth and Infrastructure Policy – Renamed – Expedited Development Approval Excise Tax – Repealed, Introduced on January 12, 2020, Montgomery County, Maryland. See Introduction Staff Report, [https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2692\\_1\\_13169\\_Bill\\_1-2021\\_Introduction\\_20210112.pdf](https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2692_1_13169_Bill_1-2021_Introduction_20210112.pdf).

<sup>2</sup> Robert H. Drummer to Montgomery County Council, Memorandum, January 7, 2021. See Introduction Staff Report.

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## IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

### Businesses, Non-Profits, Other Private Organization

OLO believes that Expedited Bill 1-21 would have insignificant economic impacts on private organizations in the County in terms of the Council's priority indicators, namely business income, workforce, operating costs, capital investments, property values, taxation policy, economic development and competitiveness.<sup>3</sup>

### Residents

OLO believes that Expedited Bill 1-21 would have no economic impacts on County residents in terms of the Council's priority indicators.

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## QUESTIONS FOR CONSIDERATION

Not applicable

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## WORKS CITED

Montgomery County Council. Bill 10-19, Legislative Branch – Economic Impact Statements – Amendments. Enacted on July 30, 2019. Montgomery County, Maryland.

Montgomery County Council. Expedited Bill 1-21, Growth and Infrastructure Policy – Renamed – Expedited Development Approval Excise Tax – Repealed. Introduced on January 12, 2020. Montgomery County, Maryland.

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## CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. 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.

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## CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

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<sup>3</sup> For the Council's priority indicators, see Montgomery County Council, Bill 10-19 Legislative Branch – Economic Impact Statements – Amendments, Enacted on July 30, 2019, Montgomery County, Maryland, 3.