

Economic Impact Statement

Montgomery County, Maryland

Bill 17-25 Contracts and Procurement – General Provisions – Exemptions – Internet Access Service

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 17-25 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

BACKGROUND AND PURPOSE OF BILL 17-25

Every County expenditure for goods, services, or construction must comply with Chapter 11B of the Montgomery County Code and Code of Montgomery County Regulations.¹ According to the County Executive, the County has been unsuccessful in procuring internet service through the standard competitive solicitation process. Providers are unwilling to engage in the process because their business models are based on customers agreeing to their standard service agreements, which conflict with County requirements.²

The County currently uses a temporary procurement exemption to purchase internet service. Bill 17-25 would bypass standard procurement rules by excluding the acquisition of internet access service from County procurement law, effectively making the current exemption permanent. In particular, it would allow purchases to be made using "procedures approved by the Chief Administrative Officer."³

According to the Fiscal Impact Statement for the Bill, making the exemption permanent is expected to "reduce expenditures significantly due to the reduced costs of procuring internet service at wholesale prices."⁴

The Council introduced Bill 17-25 on behalf of the County Executive on June 17, 2025.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 17-25 on residents and private organizations in relation to Council's priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁵

¹ See memo from Jim Ogorzalek, Legislative Attorney, in [Introduction Staff Report for Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service](#), Montgomery County Council, June 17, 2025.

² See memo from Marc Elrich, County Executive, in [Introduction Staff Report for Bill 17-25](#).

³ Montgomery County Council, [Bill 17-25, Contracts and Procurement – General Provisions – Exemptions – Internet Access Service](#), in [Introduction Staff Report for Bill 17-25](#), June 17, 2025.

⁴ [Fiscal Impact Statement for Bill 17-25](#), in [Introduction Staff Report for Bill 17-25](#), Montgomery County Council, June 17, 2025.

⁵ Montgomery County Code, ["Sec. 2-81B, Economic Impact Statements."](#)

OLO believes it is unlikely that exempting the acquisition of internet access service from the procurement law would increase the likelihood of the County contracting with a provider based in the County—or with a provider employing a larger share of County-based workers. For this reason, the Bill is expected to have an insignificant impact on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

VARIABLES

Not applicable

IMPACTS

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

Not applicable

DISCUSSION ITEMS

Not applicable

CAVEATS

Two caveats to the economic impact 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.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.