

# Economic Impact Statement

Montgomery County, Maryland

## Expedited Bill 29-25, Bond Authorization

### Summary

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 29-25 would have a positive impact on economic conditions in the County, as measured by the Council's priority economic indicators. The Bill would authorize the County to issue up to \$652 million in G.O. bonds to help fund appropriations approved in the Amended FY25-30 Capital Improvements Program (CIP).

The Bill's aggregate economic impacts would require a detailed investigation of all public facility CIP projects covered under the appropriations. While this investigation is beyond the scope of this impact statement, OLO anticipates the Bill having a positive economic impact because it would increase government funding for CIP projects over the timeframe of the CIP budget.

The Bill would directly affect certain County businesses involved in CIP projects, particularly through the County's Local Small Business Reserve Program (LSBRP). If the LSBRP applies to the project funded by capital that the County receives from investors who purchase the bonds, local businesses would receive a minimum of 25 percent of contracts to local businesses. Participating businesses would likely experience increased revenues and business incomes. In addition, the Bill may indirectly benefit other County businesses by generating a multiplier effect, as spending on CIP projects stimulate additional local economic activity.

Finally, with 58 to 80 percent of County workers also residing locally and local employment requirements in place, a substantial portion of the project's workforce may be County residents. Project-related employment could raise household incomes for County residents through increased wages and job opportunities.

### Background and Purpose of Expedited Bill 29-25

The Capital Improvements Program (CIP) refers to the County's budget for capital improvements. Capital improvements are long-term investments for public infrastructure.<sup>1</sup> According to the Department of Finance, the County "issues General Obligation (G.O.) Bonds once a year to fund major [CIP] projects such as schools, roads, and other government facilities."<sup>2</sup> As described by the U.S. Securities and Exchange Commission, G.O. bonds "are issued by states, cities or counties and not secured by any assets. Instead, [they] are backed by the 'full faith and credit' of the issuer, which has the power to tax residents to pay bondholders."<sup>3</sup>

Expedited Bill 29-25 would authorize the County to issue up to \$652 million in G.O. bonds to help fund appropriations approved in the Amended FY25-30 CIP.<sup>4</sup> Currently, there is insufficient bond authorization in certain CIP expenditure categories to fully cover the increased appropriation level.<sup>5</sup>

The Council introduced Expedited Bill 29-25 at the County Executive's request on September 16, 2025.

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<sup>1</sup> [Montgomery County Capital Budget, Office of Management and Budget.](#)

<sup>2</sup> [Debt Management, Montgomery County Department of Finance.](#)

<sup>3</sup> ["What Are Municipal Bonds," U.S. Securities and Exchange Commission, last updated June 5, 2024.](#)

<sup>4</sup> [Introduction Staff Report for Expedited Bill 29-25, Montgomery County Council, Introduced September 16, 2025.](#)

<sup>5</sup> Fiscal Impact Statement, Introduction Staff Report for Expedited Bill 29-25, pg. (7).

## Information Sources, Methodologies, and Assumptions

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Expedited Bill 29-25 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.<sup>6</sup>

**Scope:** By authorizing the County to issue up to \$652 million in G.O. bonds, the Bill would enable the County to raise capital to fund appropriations approved in the Amended FY25-30 CIP. This analysis focuses on analyzing the economic impacts on County businesses and residents that would be involved in CIP projects.

This analysis does not evaluate the potential economic impacts associated with alternative uses of funds allocated to the project, nor does it consider the opportunity cost of County revenues required to service the principal and interest on the G.O. bonds over time.

**Methodology/Information Sources:** This analysis provides a qualitative assessment of the potential economic impacts of the Bill based on data presented in the introduction staff report and established concepts from Input-Output economic analysis. It also considers the County's local business participation requirements for capital projects. In addition, to inform projections of local employment on the project, the analysis uses data from the U.S. Census Bureau's American Community Survey (ACS) for 2019–2023 to estimate the share of workers employed in the County who also reside locally.

## Variables

The primary variables that would affect the economic impacts of Expedited Bill 29-25 are the following:

- Percentage of County-based businesses involved in CIP projects; and
- Percentage of resident workers involved in the projects.

## Impacts

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

## Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Expedited Bill 29-25 would positively impact certain private organizations in the County in terms of the Council's priority economic indicators.

The Bill would directly affect certain County businesses engaged in CIP projects, particularly through the County's LSBRP. The LSBRP requires the County to award a minimum of 25 percent of procurements for goods, services, and construction to registered and certified local small businesses.<sup>7</sup>

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<sup>6</sup> Montgomery County Code, "[Sec. 2-81B, Economic Impact Statements](#)."

<sup>7</sup> Montgomery County Office of Procurement, "[Local Small Business Reserve Program \(LSBRP\)](#)."

Local businesses participating in CIP projects would likely experience increased revenues, leading to higher business incomes, assuming other factors remain constant. Certain businesses may also expand their workforces to meet the project's labor demands, supporting local employment growth, as discussed below.

Furthermore, the Bill may indirectly benefit other County businesses. Spending on CIP projects would likely generate a multiplier effect, where initial local government expenditures induce subsequent rounds of spending that would positively impact various economic indicators.<sup>8</sup> To illustrate, constructing a new school would increase income for workers directly involved in the project, potentially increasing their demand for local goods and services. Higher demand, in turn, could raise revenues and incomes for other businesses in the County.

Although data limitations prevent OLO from quantifying the multiplier effect of CIP projects, it is important to note the magnitude of this effect would depend largely on the degree of participation by County-based businesses and workers.<sup>9</sup>

Beyond these potential impacts, OLO does not anticipate that the Bill would affect other private organizations in the County in terms of the Council's priority economic indicators.

## Residents

OLO anticipates that Expedited Bill 29-25 would positively impact certain residents in the County in terms of the Council's priority economic indicators.

The firms and residence of workers that would be involved in CIP projects are unknown. However, Census data suggests that many may reside locally, especially for businesses based in the County.

**Figure A1** uses data from the Census Bureau's American Community Survey (ACS) for 2019 to 2023 to estimate the percentage of individuals (aged 16 and older) who work within a Census tract in the County and also live in the County. Across the County, the share of workers who also reside locally ranges from 58 to 80 percent. These data suggest that a substantial portion of the workforce involved in the project may be County residents.

Project-related employment could raise household incomes for County residents through increased wages and job opportunities.

Beyond this, OLO does not expect the Bill to substantially affect residents in terms of other priority indicators.

## Net Impact

OLO anticipates that enacting Expedited Bill 29-25 would have a positive impact on overall economic conditions in the County in terms of the Council's priority economic indicators.

As previously discussed, If the LSBRP applies to the project, local businesses would receive 25 percent of contracts over the course of the CIP projects. Participating businesses would likely experience increased

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<sup>8</sup> U.S. Bureau of Economic Analysis, [RIMS II](#).

<sup>9</sup> Using a "Bill of Goods" approach would require a great deal of information unavailable to OLO—for example, knowing the specific inputs that would be used in the planning, design, and construction of the Clarksburg Library project and local industries involved in the supply of goods and services required to complete the project.

revenues and business incomes. In addition, project spending would indirectly benefit other County businesses by stimulating additional local economic activity.

Furthermore, OLO anticipates that a substantial portion of the project's workforce may be County residents. Project-related employment could raise household incomes for County residents through increased wages and job opportunities.

## Discussion Items

Not applicable

## Caveats

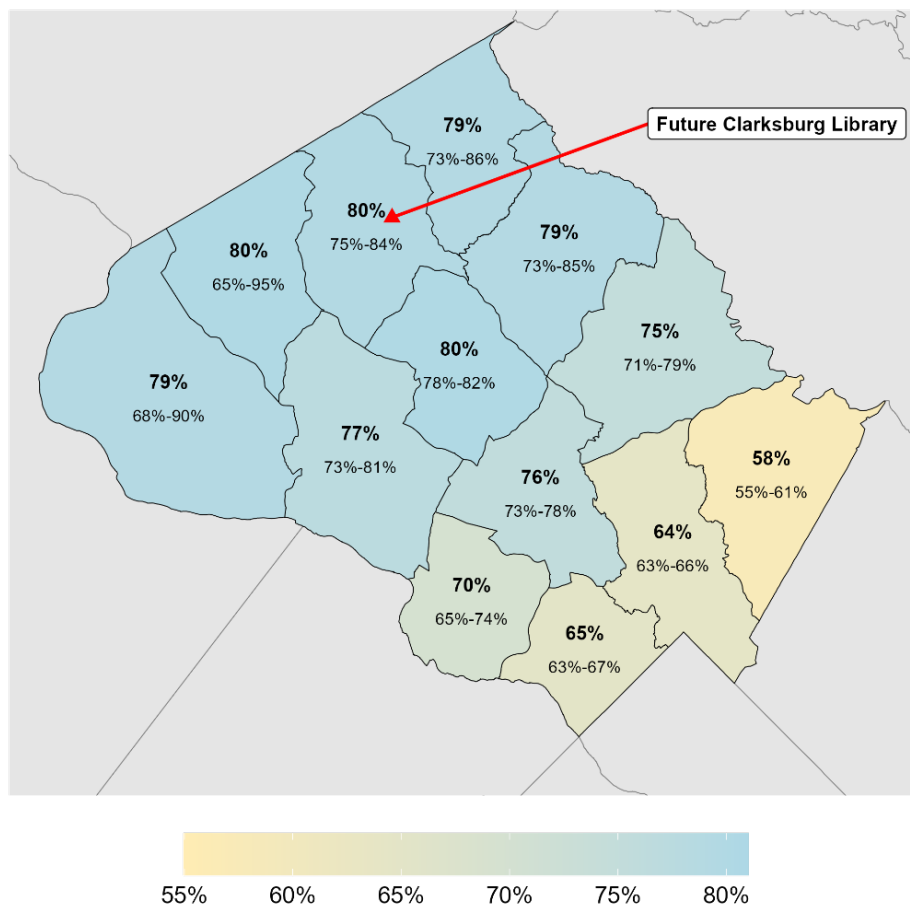
Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis 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, PhD (OLO) prepared this report.

## Appendix

Figure A1. Percentage of Workers Aged 16 and Older Employed Within the County of Residence by Census Tract<sup>10</sup>



<sup>10</sup> U.S. Census Bureau, *American Community Survey, 5-Year Estimates (2023)*, Table B08007, "[Sex of Workers by Place of Work--State and County Level](#)," accessed January 3, 2025. For details on how the Census measures an individual's place-of-work, see "Journey to Work" section in "[American Community Survey and Puerto Rico Community Survey 2022 Subject Definitions](#)" (U.S. Census Bureau, 2022); and questions 30 and 31 in the "[2024 American Community Survey Questionnaire](#)" (U.S. Census Bureau).