

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 16-24: DEVELOPMENT IMPACT TAX - AMENDMENTS

SUMMARY

Based on available information and limited timeframe, the Office of Legislative Oversight cannot estimate the impact of Bill 16-24 on racial equity and social justice (RESJ). An analysis of the Bill would require an understanding of how the Growth and Infrastructure Policy (GIP) would be impacted by the proposed changes, and the subsequent impacts to racial equity and social justice, which is beyond the scope of this impact statement.

Of note, the GIP is like a master plan in its scope and thus its analysis would fall under the purview of Montgomery Planning. If the Council chooses to add a RESJ impact statement on Bill 16-24 to OLO's work program, OLO staff could complete it in approximately three to four months.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social inequities that have caused racial and social disparities.²

PURPOSE OF BILL 16-24

Every four years, the Montgomery County Planning Board must produce a recommended Growth and Infrastructure Policy (GIP).³ The GIP ensures that Montgomery County's public infrastructure—such as schools, transportation, and water and sewer services—can support new development in the County.⁴ The GIP is responsible for:⁵

- creating a process for analyzing the impact of new developments on public infrastructure;
- setting standards for determining if infrastructure is adequate to support new development; and
- establishing how to identify inadequate infrastructure, how inadequacies should be addressed, and the time frame for when improvements should take place.

The Planning Board submitted their recommended draft of the 2024-2028 GIP on July 25, 2024.⁶ After receiving comments and recommendations on the draft from the County Executive and County Board of Education, the Council must hold a public hearing and then decide whether to adopt the policy by November 15, 2024.⁷ If the Council does not adopt the new GIP, the previously adopted policy remains in effect.⁸

The Planning Board submitted Bill 16-24 to the Council. The purpose of the Bill is “to implement legislative changes consistent with the Planning Board draft of the 2024-2028 GIP.”⁹ It would do so by updating transportation impact tax districts, modifying development impact tax exemptions for certain uses and in certain locations, and adjusting how the County calculates development impact taxes.¹⁰

On behalf of the Planning Board, the Council introduced Bill 16-24 on September 10, 2024.

RESJ Impact Statement

Bill 16-24

ANTICIPATED RESJ IMPACTS

Due to the complexity of the proposed changes, Bill 16-24 would require a detailed investigation of the impacts of each proposed change to the tax districts, development impact tax exemptions, and laws governing the transportation and school development impact taxes.¹¹ The Bill's proposed changes would directly impact the policy tools of the Growth and Infrastructure Policy and it is not possible to evaluate the changes in the timeframe given for this statement. In the past, Planning Staff have solicited stakeholder input along with data to evaluate policy recommendations, including development taxes and changes to tax districts.¹² This investigation is beyond the scope of this impact statement. OLO staff could complete a RESJ impact statement for Bill 16-24 in approximately three to four months if the Council chooses to add it to OLO's work program.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.¹³ OLO does not offer recommended amendments for Bill 16-24 since the analysis required for this Bill is outside of the scope of this impact statement.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than 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

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

¹ Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

² Ibid.

³ "[Sec. 33A-15. Growth and Infrastructure Policy](#)," Montgomery County Code §

⁴ "[Growth and Infrastructure Policy Explainer](#)," Montgomery County Planning Department.

⁵ Ibid.

⁶ [Introduction Staff Report for Bill 16-24](#), Montgomery County Council, Introduced September 10, 2024.

⁷ Sec. 33A-15. Growth and Infrastructure Policy

⁸ Ibid.

⁹ Introduction Staff Report for Bill 16-24.

¹⁰ Ibid.

¹¹ Ibid.

¹² [2024-2028 Growth and Infrastructure Policy Working Draft](#), Montgomery County Planning Department, May 3, 2024.

¹³ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council