

**MEMORANDUM**

July 25, 2014

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Introduction:** Bill 38-14, Secondhand Personal Property – Definitions - Payment

Bill 38-14, Secondhand Personal Property – Definitions - Payment, sponsored by the Council President at the request of the County Executive, is scheduled to be introduced on July 29. A public hearing is tentatively scheduled for September 16 at 1:30 p.m.

Bill 38-14 would exclude certain items of personal property with resale value below a certain dollar amount from the definition of secondhand personal property. The threshold amount would be set by method (3) regulation. The bill would also permit a secondhand personal property dealer to pay to purchase secondhand personal property by store credit. Current law requires payment by check.

| This packet contains:                | <u>Circle #</u> |
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Bill No. 38-14  
Concerning: Secondhand Personal  
Property – Definitions – Payment  
Revised: 07/09/2014 Draft No. 2  
Introduced: July 29, 2014  
Expires: January 29, 2016  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the request of the County Executive

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**AN ACT** to:

- (1) exclude certain items of personal property with resale value below a certain dollar amount from the definition of secondhand personal property;
- (2) permit payment by store credit; and
- (3) generally amend the secondhand personal property law

By amending

Montgomery County Code  
Chapter 44A, Secondhand Personal Property  
Sections 44A-1 and 44A-9

|                              |  |
|------------------------------|--|
| <b>Boldface</b>              | <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:*



## LEGISLATIVE REQUEST REPORT

Bill 38-14

### *Secondhand Personal Property – Definitions - Payment*

|   |   |
|---|---|
| <b>DESCRIPTION:</b>                       | Exempts certain items of personal property below a certain dollar threshold from the definition of secondhand personal property and allows for payment by check or store credit |
| <b>PROBLEM:</b>                           | Amendments are needed to reflect changes in the marketplace.  |
| <b>GOALS AND OBJECTIVES:</b>              | Response to changes in the marketplace and address concerns expressed by retail thrift stores and national chain retailers.   |
| <b>COORDINATION:</b>                      | Office of Consumer Protection and Police Department   |
| <b>FISCAL IMPACT:</b>                     | Attached  |
| <b>ECONOMIC IMPACT:</b>                   | Attached  |
| <b>EVALUATION:</b>                        | To be requested.  |
| <b>EXPERIENCE ELSEWHERE:</b>              | To be researched.   |
| <b>SOURCE OF INFORMATION:</b>             | Office of Consumer Protection<br>Police Department<br>Office of the County Attorney   |
| <b>APPLICATION WITHIN MUNICIPALITIES:</b> | To be researched.   |
| <b>PENALTIES:</b>                         | No change   |



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

**MEMORANDUM**

June 23, 2014

TO: Craig Rice, President  
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Decision Memorandum – Proposed Legislation to Amend County Code  
Chapter 44A, Secondhand Personal Property

Transmitted for your review are proposed amendments to Chapter 44A,  
Secondhand Personal Property.

The proposed amendments are intended to allow merchants to: i) “pay”  
consumers for secondhand personal property with a store credit rather than only by  
check; and ii) exclude specified secondhand personal property below a certain dollar  
threshold from these regulations. There is no additional expected fiscal impact to  
Montgomery County associated with these proposed amendments.

If you have any questions or would like any additional information, please  
contact Eric Friedman, Director, Office of Consumer Protection, at (240) 777-3636.

IL/esf

**Fiscal Impact Statement**  
**Legislation to Amend County Code Chapter 44A, Secondhand Personal Property**

1. Legislation Summary

The purpose of this code amendment is to respond to changes in the marketplace and to address concerns expressed by retail thrift stores and national chain retailers. The proposed amendments are intended to allow merchants to: i) "pay" consumers for secondhand personal property with store credit rather than only by check; ii) exclude certain items of personal property that have a resale value below a certain dollar threshold from the definition of secondhand personal property.

The proposed changes update the code for changes in the marketplace. The changes do not affect the current duties or responsibilities of the Department of Police or Office of Consumer Protection.

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.

No impact on revenues or expenditures.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

No impact on revenues or expenditures.

4. An actuarial analysis through the entire amortization period for legislation that would affect retiree pension or group insurance costs.

Not Applicable

5. Later actions that may affect future revenue and expenditures if the legislation authorizes future spending.

Not Applicable

6. An estimate of the staff time needed to implement the legislation.

The staff time for the Department of Police and Office of Consumer Protection to disseminate information related to the changes to secondhand personal property dealers would be minimal and can be accomplished online.

7. An explanation of how the addition of new staff responsibilities would affect other duties. The impact will be minimal as information related to changes will be disseminated online

8. An estimate of costs when an additional appropriation is needed.

Not Applicable

9. A description of any variable that could affect revenue and cost estimates.

Not Applicable

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not Applicable

11. If legislation is likely to have no fiscal impact, why that is the case.

Not Applicable

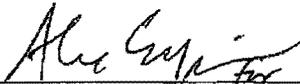
12. Other fiscal impacts or comments.

None

13. The following contributed to and concurred with this analysis (enter name and dept.)

Eric Friedman, Director, Office of Consumer Protection

Jahantab Siddiqui, Management & Budget Specialist, OMB

  
\_\_\_\_\_  
Jennifer A. Hughes, Director  
Office of Management and Budget

6/20/2014  
Date

**Economic Impact Statement**  
**Bill #-14, Amending The Definition Of Secondhand Personal Property**  
**And Allowing Payment By Store Credit**

**Background:**

This legislation would amend Sections 44A-1 and 44A-9 of the County Code to allow merchants to:

- Pay consumers for secondhand personal property with store credit. The current law only allows payment by check as permitted under current regulation (Section 44A-9);
- Exempt certain items of personal property that have a resale value below a certain dollar threshold from the definition of secondhand personal property (Section 44A-1).

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

The source of information in preparation of the economic impact statement is the Office of Consumer Protection (OCP).

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

Bill #-14 amends two sections of Chapter 44A – Secondhand Personal Property that define the value of secondhand personal property under Chapter 44A and allows store credit as payment to customers. Therefore, there are no economic variables that are affected by the amendments to Chapter 44A.

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

Bill #-14 would have no economic impact on employment, spending, saving, investment, incomes, and property values in the County. Bill #-14 allows payment as store credit as well as the current policy of payment by check. Therefore Bill #-14 has no affect on business or personal income.

**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 and Rob Hagedoorn, Finance; Eric Friedman, Director, Office of Consumer Protection.**

*For*  
  
\_\_\_\_\_  
Joseph F. Beach, Director  
Department of Finance

*6/19/14*  
\_\_\_\_\_  
Date