


MEMORANDUM

September 12, 2014

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Public Hearing:** 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, was introduced on July 29. A Public Safety Committee worksession is tentatively scheduled for October 2 at 10:00 a.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.

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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

By: Council President at the request of the County Executive

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

Boldface	<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

DESCRIPTION: 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

PROBLEM: Amendments are needed to reflect changes in the marketplace.

GOALS AND OBJECTIVES: Response to changes in the marketplace and address concerns expressed by retail thrift stores and national chain retailers.

COORDINATION: Office of Consumer Protection and Police Department

FISCAL IMPACT: Attached

ECONOMIC IMPACT: Attached

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Office of Consumer Protection
Police Department
Office of the County Attorney

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: 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

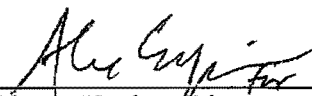
12. Other fiscal impacts or comments.

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

BILL 38-14



DEPARTMENT OF POLICE

Isiah Leggett
County Executive

J. Thomas Manger
Chief of Police

JH
CC
SBF
LL
ED
MF
AM

MEMORANDUM

August 13, 2014

TO: The Honorable Craig Rice, President
Montgomery County Council

FROM: J. Thomas Manger
Chief of Police

SUBJECT: Support for bill 38-14, "Secondhand Personal Property-Definitions-Payment"

RECEIVED
MONTGOMERY COUNTY
POLICE DEPARTMENT

2014 AUG 15 PM 1:50

The purpose of this communication is to express my support—and that of Consumer Protection Director Eric Friedman—for bill 38-14, "Secondhand Personal Property – Definitions – Payment."

Bill 38-14 was written in an effort to accommodate the request of the business community, specifically secondhand-property owners and big-box stores, while still meeting the enforcement and reporting needs to safely defend the community. The current law's original intent was to help police stop criminals who were selling stolen merchandise to pawn shops in exchange for cash. In order to make it harder for the criminal element, Chapter 44A was written so that payments made to the seller had to be in the form of a check, which would allow the police an opportunity to identify the person responsible for selling stolen items.

Changing the definition of secondhand personal property would alleviate the burden on dealers from having to report every single item that they take in. Dealers would have fewer items to enter into the pawn-tracking software and the police department would be able to expedite the amount of time it takes to review all transactions and compare them to stolen items.

Nationally, large and small retail stores have policies that allow their customers to bring in older electronic items and have them applied towards a new item. These stores also have the ability for customers to return items for store credit or a gift card. According to the retail industry, they have the ability to track the identity of the person to whom a gift card or store credit is issued, thus providing the police department with an acceptable paper trail to be able to launch a criminal investigation should the need arise.

The laws governing secondhand personal property are over 30 years old. Bill 38-14 would have little to no implication on how the police department is able to track these transactions. Therefore, I urge you and the Montgomery County Council to pass this legislation.

JTM:mam
c: Eric Friedman, Director/Consumer Protection

Office of the Chief of Police

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www.montgomerycountymd.gov • www.mymcpnews.com • MCPDChief@montgomerycountymd.gov