

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 278

(Delegate Niemann, *et al.*)

Judiciary

Gun Shops - Security Requirements for Regulated Firearms

This bill requires an applicant for a State regulated firearms dealer's license to provide evidence satisfactory to the Secretary of State Police that the applicant's proposed place of business has: (1) a vault or safe with certain minimum dimensions and other specified features; (2) specified braided cables sufficient to secure all of the regulated firearms, other than handguns, offered for sale at that place of business; and (3) a specified monitored security system capable of immediately notifying police of a break-in, via the monitoring service. The licensee is required to: (1) store all handguns in the vault or safe; (2) secure all other firearms with the braided cables or in the vault or safe; and (3) activate the monitored security system when the structure is unoccupied. The bill requires current licensees (as of the bill's effective date) to comply with these provisions by July 1, 2006.

The Secretary is authorized to deny a dealer's license to any applicant or suspend or revoke a dealer's license, as specified, if the applicant or licensee violates the bill's provisions. Under provisions relating to required revocations of a license, the bill requires the Secretary to revoke the license of a licensee who has spent 7 days, rather than 30 days, in a medical institution for treatment of a mental disorder.

Fiscal Summary

State Effect: None. Enforcement would be handled with the existing budgeted resources of the State Police.

Local Effect: None.

Small Business Effect: Potential meaningful. It is likely that this bill would lead to discernable costs for the State's 269 licensed gun dealers. It is unknown how many of the current licensees may already have storage facilities that meet the standards provided under this bill. It is assumed to be not many.

Analysis

Current Law: No person may engage in the business of selling, renting, or transferring regulated firearms unless he or she lawfully possesses and conspicuously displays at the place of business, in addition to any other license required by law, a regulated firearms dealer's license issued by the Secretary of State Police. Such a licensee must have already been issued a federal firearms dealer's license. The license must identify the licensee and the location of the licensee's place of business. One license is required for each place of business where regulated firearms are sold. A State firearms dealer's license expires on June 30 of each year and is nontransferable. The initial license fee is \$50, and the annual renewal fee is \$25. If a licensee changes his or her place of business, the licensee must inform the State Police of the change and surrender the license. If no cause exists for the revocation of the license, a new license is issued, without fee, covering the new place of business for the duration of the unexpired term of the surrendered license.

A person may not possess, sell, transfer, or otherwise dispose of a stolen regulated firearm if the person knows or has reasonable cause to believe that the firearm has been stolen.

A dealer or other person may not knowingly participate in the illegal sale, rental, transfer, purchase, possession, or receipt of a regulated firearm. A violator is guilty of a misdemeanor and subject to maximum penalties of imprisonment for five years and/or a fine of \$10,000. Each violation is a separate crime.

A "regulated firearm" means any handgun or specified assault weapon.

The reasons for which a dealer's license is required to be suspended or revoked are specified in the Public Safety Article. If a dealer's license is suspended or revoked, the Secretary must notify the licensee in writing of the action. A person whose dealer's license has been suspended or revoked may not engage in the business of selling, renting, or transferring regulated firearms unless the suspension or revocation is subsequently revoked. In the absence of a certain physician's certificate, the Secretary must revoke the license of a licensee who has spent 30 days in a medical institution for treatment of a mental disorder.

Additional Comments: HB 592 of 2005, a bill that creates a tax credit for licensed firearms dealers that purchase firearms storage safes or vaults that meet the requirements provided under this bill is contingent upon enactment of this bill. The amount of the credit is equal to 20% of the purchase price of a firearms storage safe or vault, not to exceed the tax liability for the tax year.

Additional Information

Prior Introductions: HB 392 of 2004, a similar bill, received a hearing before the Judiciary Committee and had no further action taken on it.

Cross File: None.

Information Source(s): Department of State Police, Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2005
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