

HOUSE BILL 1143

C2
HB 752/10 – ECM

11r2742

By: **Delegate Sophocleus**

Introduced and read first time: February 14, 2011

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 7, 2011

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2011

CHAPTER _____

1 AN ACT concerning

2 **Business Regulation – Secondhand Precious Metal Object Dealers –**
3 **Exempted Transactions and Record Keeping Requirements**

4 FOR the purpose of exempting certain transactions of certain retail jewelers from the
5 requirement to hold a secondhand precious metal object dealer license;
6 ~~authorizing certain dealers to identify certain items by certain methods;~~
7 requiring certain items to remain tagged for a certain period of time; requiring a
8 certain law enforcement unit to adopt certain procedures for certain dealers to
9 amend certain records; making certain stylistic changes; and generally relating
10 to exempted transactions and the record keeping requirements of secondhand
11 precious metal object dealers.

12 BY repealing and reenacting, with amendments,
13 Article – Business Regulation
14 Section 12–102(b), 12–301(d) and (e), and 12–304
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2010 Supplement)

17 ~~BY repealing~~
18 ~~Article – Business Regulation~~
19 ~~Section 12–301(e)~~
20 ~~Annotated Code of Maryland~~
21 ~~(2010 Replacement Volume and 2010 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~BY adding to~~
 2 ~~Article – Business Regulation~~
 3 ~~Section 12-301(e)~~
 4 ~~Annotated Code of Maryland~~
 5 ~~(2010 Replacement Volume and 2010 Supplement)~~

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article – Business Regulation**

9 12-102.

10 (b) If a retail jeweler has a fixed business address in the State, this title does
 11 not apply to a transaction in which the retail jeweler:

12 (1) accepts, in accordance with a posted return policy, the return of an
 13 item that the jeweler originally sold;

14 (2) accepts, in accordance with a published trade-in policy,
 15 merchandise in trade that the jeweler originally sold;

16 (3) repossesses merchandise that the jeweler originally sold, if the
 17 original buyer has defaulted; [or]

18 (4) retains merchandise that the jeweler originally accepted for repair
 19 as a bailee for hire, if the customer who deposited the merchandise:

20 (i) defaulted; or

21 (ii) failed to reclaim the merchandise within the time agreed on
 22 with the jeweler; **OR**

23 **(5) ACCUMULATES PIECES OF PRECIOUS METALS IN THE COURSE**
 24 **OF PERFORMING REPAIRS, REMOUNTINGS, FABRICATIONS, OR CUSTOM**
 25 **ORDERS.**

26 12-301.

27 (d) **(1) ~~[A] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A~~**
 28 separate record entry shall be made for each item involved in a transaction.

29 **(2) [However, items] ITEMS** in a matching set may be recorded as a
 30 set if acquired in a single transaction.

1 ~~f~~(e) **(1)** The dealer shall tag each item individually with a number that
2 corresponds to the transaction under which it was acquired. However, items acquired
3 in a matching set may be tagged as a set.†

4 **(2)** EACH ITEM TAGGED BY A DEALER UNDER PARAGRAPH (1) OF
5 THIS SUBSECTION SHALL REMAIN TAGGED FOR THE ENTIRE PERIOD THE ITEM
6 IS STORED IN THE DEALER'S INVENTORY.

7 ~~(e) (1) THE DEALER MAY IDENTIFY ITEMS HELD DURING THE~~
8 ~~HOLDING PERIOD BY:~~

9 ~~(i) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,~~
10 ~~TAGGING EACH ITEM INDIVIDUALLY WITH A NUMBER THAT CORRESPONDS TO~~
11 ~~THE TRANSACTION UNDER WHICH IT WAS ACQUIRED; OR~~

12 ~~(ii) KEEPING THE ITEMS ACQUIRED IN EACH TRANSACTION~~
13 ~~IN A SEPARATE CONTAINER WITH EITHER THE NUMBER OF THE TRANSACTION~~
14 ~~REPORT AFFIXED TO THE CONTAINER OR A COPY OF THE TRANSACTION REPORT~~
15 ~~ATTACHED TO THE CONTAINER.~~

16 ~~(2) ITEMS IN A MATCHING SET MAY BE TAGGED AS A SET IF~~
17 ~~ACQUIRED IN A SINGLE TRANSACTION.~~

18 12-304.

19 (a) (1) A dealer shall submit the required information from each record to
20 the primary law enforcement unit in accordance with subsection (b) of this section.

21 (2) If the dealer transacts business in accordance with § 12-206(b) of
22 this title, the dealer also shall submit the required information from the records to the
23 local law enforcement unit in accordance with subsection (b) of this section.

24 (3) On the request of a dealer, the Secretary shall provide to the dealer
25 a list of local law enforcement units.

26 (b) (1) Subject to paragraph (2) of this subsection, the dealer shall submit
27 the records by transmitting the required information from the records electronically,
28 in a format acceptable to the receiving law enforcement unit, by noon of the next
29 business day.

30 (2) A dealer may request an extension of up to 48 hours to submit the
31 records required under paragraph (1) of this subsection.

32 (c) Each record, submitted to the primary law enforcement unit and, if
33 applicable, local law enforcement unit, shall include:

- 1 (1) the license number of the dealer;
- 2 (2) the location of each item listed in the record; and
- 3 (3) the information required under § 12–302 of this subtitle.
- 4 (d) The required information from a record submitted under this section:
 - 5 (1) shall be kept confidential;
 - 6 (2) is not a public record; and
 - 7 (3) is not subject to Title 10, Subtitle 6 of the State Government
 - 8 Article.

9 **(E) THE PRIMARY LAW ENFORCEMENT UNIT SHALL ADOPT A**
 10 **PROCEDURE FOR A DEALER TO AMEND A RECORD REQUIRED TO BE SUBMITTED**
 11 **UNDER THIS SECTION.**

12 **[(e)] (F)** A law enforcement unit may cease to maintain a record submitted
 13 under this section after 1 year from the date the law enforcement unit receives the
 14 copy.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 16 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.