
By: Chairman, Economic Matters Committee (Departmental - Labor, Licensing and Regulation)

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Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

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CHAPTER ____

1 AN ACT concerning

2 **Secondhand Precious Metal Object Dealers and Pawnbrokers**

3 FOR the purpose of establishing procedures for storing or holding precious metal objects
4 or personal property at a location other than the business address; requiring that
5 those locations be accessible to law enforcement units; altering certain required
6 statements on the application form for a certain license; requiring certain proof
7 before issuance of a license; prohibiting the issuance of a certain license to a minor;
8 requiring certain notice to law enforcement units prior to engaging in transactions
9 at a location other than the business address; authorizing the Secretary to deny,
10 suspend, or revoke a license or reprimand a licensee, under certain circumstances,
11 for employing an individual whose secondhand precious metal dealer's license has
12 been revoked; altering the requirements for submitting certain records to primary
13 law enforcement units; requiring the submission of certain records to local law
14 enforcement units under certain circumstances; establishing a procedure through
15 which the Secretary may obtain a restraining order or an administrative subpoena;
16 prohibiting transactions with minors; requiring reporting forms to be completed and
17 submitted for transactions involving certain additional items of personal property;
18 establishing a holding period for transactions involving items of personal property;
19 altering the place at which a dealer must hold a certain precious metal object under
20 certain circumstances; establishing a time period within which a precious metal
21 object, item of personal property, or a record of such acquisition is to be delivered
22 to the storage facility; establishing grounds and procedures by which law
23 enforcement officials may obtain a search warrant; ~~prohibiting pawn transactions~~
24 ~~involving certain items of personal or real property; and establishing a certain~~
25 ~~penalty for a conviction of a violation of the holding period requirements~~
26 authorizing the Secretary to impose certain civil penalties for certain violations;
27 altering certain criminal penalties for certain violations; defining certain terms; and

2

1 generally relating to secondhand precious metal object dealers and pawnbrokers.

2 BY repealing and reenacting, with amendments,

3 Article - Business Regulation

4 Section 12-101, 12-202, 12-205, 12-206, 12-209, 12-213, 12-301 through 12-306,

5 inclusive, and 12-502

6 Annotated Code of Maryland

7 (1992 Volume and 1995 Supplement)

8 BY adding to

9 Article - Business Regulation

10 Section 12-402 ~~and 12-502~~

11 Annotated Code of Maryland

12 (1992 Volume and 1995 Supplement)

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

15 **Article - Business Regulation**

16 12-101.

17 (a) In this title the following words have the meanings indicated.

18 (b) (1) "Dealer" means an individual who acquires commercially from the
19 public or trades commercially with the public in secondhand precious metal objects or,
20 unless otherwise provided, a pawnbroker.

21 (2) "Dealer" includes a retail jeweler as to transactions in which the retail
22 jeweler acquires commercially from the public or trades commercially with the public in
23 secondhand precious metal objects.

24 (c) "Employee" means an individual who is employed by a dealer or pawnbroker
25 to buy, sell, or supervise directly the buying or selling of secondhandprecious metal
26 objects.

27 ~~(D) "FIXED BUSINESS ADDRESS" MEANS A COMMERCIAL LOCATION, ZONED~~
28 ~~FOR THE ACTIVITY AUTHORIZED UNDER THE LICENSE, WHICH IS NOT A PRIVATE~~
29 ~~RESIDENCE, AND AT WHICH THE LICENSEE OR AN EMPLOYEE OF THE LICENSEE IS~~
30 ~~PHYSICALLY PRESENT DURING REGULAR BUSINESS HOURS.~~

31 (D) "FIXED BUSINESS ADDRESS" MEANS A SINGLE PHYSICAL LOCATION
32 WHERE A LICENSEE REGULARLY CONDUCTS BUSINESS AND AT WHICH THE
33 LICENSEE OR AN EMPLOYEE OF THE LICENSEE IS PHYSICALLY PRESENT DURING
34 NORMAL BUSINESS HOURS.

35 [(d)] (E) "License" means a license issued by the Secretary to do business as a
36 dealer.

1 ~~(F) "LOCAL LAW ENFORCEMENT UNIT" MEANS THE LAW ENFORCEMENT~~
2 ~~AGENCY OR AUTHORITY WITH JURISDICTION OVER ANY PLACE WHERE A DEALER~~
3 ~~TRANSACTS BUSINESS OTHER THAN THE DEALER'S FIXED BUSINESS ADDRESS.~~

4 (F) "LOCAL LAW ENFORCEMENT UNIT" MEANS THE DEPARTMENT OF STATE
5 POLICE, A POLICE DEPARTMENT, OR SHERIFF, AS DESIGNATED BY RESOLUTION OF
6 THE COUNTY GOVERNING BODY, WITH JURISDICTION OVER ANY PLACE WHERE A
7 DEALER TRANSACTS BUSINESS OTHER THAN THE DEALER'S FIXED BUSINESS
8 ADDRESS.

9 [(e)] (G) "Pawnbroker" means a person who engages in pawn transactions.

10 [(f)] (H) "Pawn transaction" means a loan of money by a dealer on deposit or
11 pledge of personal property or other valuable thing other than securities or printed
12 evidences of indebtedness, or a purchase by a dealer of personal property or other
13 valuable things on condition of selling the same back at a stipulated price.

14 [(g)] (I) "Precious metal object" means:

15 (1) a precious metal that is:

16 (i) gold;

17 (ii) iridium;

18 (iii) palladium;

19 (iv) platinum; or

20 (v) silver;

21 (2) a precious or semiprecious stone, or a pearl, that is or appears to have
22 been attached to or inlaid in a precious metal listed in paragraph (1) of this subsection or
23 any alloy of a precious metal; or

24 (3) an object that is composed of a precious metal listed in paragraph (1) of
25 this subsection or any alloy of a precious metal if:

26 (i) the market value of the metal in the object lies principally in its
27 precious metal component; or

28 (ii) at least 25% of the weight of the object is precious metal.

29 [(h)] (J) "Primary law enforcement unit" means the Department of State Police,
30 a police department, or sheriff, as designated by resolution of the county governing body
31 in the county in which the license is held.

32 12-202.

33 (a) (1) An applicant for a license shall:

34 (i) submit to the Secretary an application on the form that the
35 Secretary provides; and

36 (ii) pay to the Secretary an application fee of \$300.

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1 (2) The application fee is nonrefundable.

2 (b) The applicant shall sign the application under oath.

3 (c) [(1) The application form shall be based on the application form for a
4 trader's license under Title 17 of this article.

5 (2)] In addition to any other information that the Secretary requires, the
6 application shall state:

7 [(i)] (1) the name, date of birth, and residence address of the
8 applicant;

9 [(ii)] (2) the fixed BUSINESS address [of the business] of the
10 applicant;

11 [(iii)] (3) the fixed address in the State where precious metal objects
12 will be stored, if different from the FIXED business address, PROVIDED, HOWEVER,
13 THAT A BANK OR SAFE DEPOSIT BOX IS NOT AN ACCEPTABLE STORAGE LOCATION
14 UNLESS WRITTEN CONSENT BY THE APPLICANT AND A BANK OFFICIAL
15 AUTHORIZING ACCESS TO THE STORAGE FACILITY AND EXAMINATION OF ITS
16 CONTENTS BY LAW ENFORCEMENT OFFICERS OR AGENTS ACCOMPANY THE
17 APPLICATION;

18 [(iv)] (4) a telephone number at which the applicant can be reached
19 during normal business hours;

20 [(v)] (5) each address where the applicant has conducted any business
21 during the 36 months before application;

22 [(vi)] (6) the driver's license number, if any, of the applicant; and

23 [(vii)] (7) the name and permanent address of each employee who will
24 work with the applicant in the business of the applicant.

25 (d) The application form shall contain, immediately above the signature line, the
26 following:

27 "If issued a license, I agree to allow a municipal, county, or State police officer
28 acting in the course of a stolen property investigation OR AN INVESTIGATION OF A
29 VIOLATION OF THIS TITLE to inspect and photograph all precious metal objects and
30 records at my business or storage locations."

31 12-205.

32 (a) [The] UPON RECEIPT OF A COMPLETE FEDERAL AND STATE CRIMINAL
33 RECORD REPORT FROM THE CENTRAL REPOSITORY ~~PURSUANT TO~~ IN ACCORDANCE
34 WITH § 12-204 OF THIS SUBTITLE, THE Secretary shall issue a license to each applicant
35 who meets the requirements of this subtitle.

36 (b) The Secretary:

37 (1) may issue a license only for a fixed business address; but

38 (2) may not issue a license for [a business] AN address that is:

5

1 (i) a hotel or motel room;

2 (ii) a motor vehicle; or

3 (iii) a post office box; OR

4 (IV) A LOCATION WHICH DOES NOT MEET THE QUALIFICATIONS AS
5 DEFINED IN § 12-101(D) OF THIS TITLE.

6 (c) The Secretary may not issue more than 1 license for any single business
7 location unless the dealers at that location are in partnership.

8 (D) THE SECRETARY MAY NOT ISSUE A LICENSE TO A MINOR.

9 (E) WHENEVER A LICENSE IS SUSPENDED OR REVOKED, ANOTHER LICENSE
10 MAY NOT BE ISSUED TO A DEALER FOR THE SAME BUSINESS LOCATION UNLESS THE
11 APPLICANT PROVIDES THE DOCUMENTATION AND INFORMATION, WHICH THE
12 SECRETARY ESTABLISHES BY REGULATION, IS NECESSARY TO DEMONSTRATE THAT
13 THE APPLICANT WILL BE ENGAGING IN A BUSINESS WHICH IS SEPARATE AND
14 INDEPENDENT FROM THE BUSINESS OF THE REVOKED OR SUSPENDED LICENSE.

15 12-206.

16 (a) A license authorizes the licensee to do business as a dealer only at the address
17 for which the license is issued.

18 (b) Notwithstanding subsection (a) of this section, a dealer who holds a license
19 under this subtitle may:

20 (1) [operate] TRANACT BUSINESS AS A DEALER for up to 7 consecutive
21 days at an [auction, convention, sale, or show] EVENT THAT TAKES PLACE AT A
22 LOCATION OTHER THAN THE FIXED BUSINESS ADDRESS AT WHICH A TRANSACTION
23 MAY OCCUR after giving written notice AT LEAST 7 DAYS IN ADVANCE OF THE EVENT
24 TO THE PRIMARY LAW ENFORCEMENT UNIT AND to the local law enforcement unit
25 with jurisdiction over the place where the [auction, convention, sale, or show] EVENT
26 will be held;

27 (2) make purchases at an estate and judicial sale; and

28 (3) transact business at the residence of the owner of a precious metal
29 object or a place where the owner keeps a precious metal object:

30 (i) on request of the owner; and

31 (ii) after giving written notice of the proposed transaction and its
32 location to the local law enforcement unit with jurisdiction over that location.

33 12-209.

34 (a) (1) ~~IN EXCEPT AS OTHERWISE PROVIDED, IN~~ this subsection, a dealer's or
35 applicant's agents, employees, management personnel, or partners include only those
36 individuals who are directly involved in pawn transactions or the acquisition or sale of
37 secondhand precious metals on behalf of the dealer or applicant, ~~EXCEPT WHERE~~
38 ~~OTHERWISE INDICATED.~~

6

1 (2) Subject to the hearing provisions of § 12-210 of this subtitle, the
2 Secretary may deny a license to an applicant, reprimand a licensee, or suspend or revoke
3 a license if the applicant or licensee or an agent, employee, manager, or partner of the
4 applicant or licensee:

5 (i) fraudulently or deceptively obtains or attempts to obtain a license
6 for the applicant or licensee or for another person;

7 (ii) fraudulently or deceptively uses a license;

8 (iii) has a similar license denied, suspended, or revoked in another
9 jurisdiction;

10 (iv) pleads guilty or nolo contendere to or is convicted of a felony, theft
11 offense, or crime of moral turpitude;

12 (v) knowingly employs or knowingly continues to employ, after being
13 notified by the Secretary, an individual who has pled guilty or nolo contendere to or has
14 been convicted of a felony, theft offense, or crime of moral turpitude;

15 (VI) KNOWINGLY EMPLOYS OR KNOWINGLY CONTINUES TO
16 EMPLOY IN ANY CAPACITY, AFTER BEING NOTIFIED BY THE SECRETARY, AN
17 INDIVIDUAL WHOSE PRECIOUS METALS DEALER'S LICENSE HAS BEEN REVOKED;

18 [(vi)] (VII) willfully fails to provide or willfully misrepresents any
19 information required to be provided under this title;

20 [(vii)] (VIII) violates this title; or

21 [(viii)] (IX) violates a regulation adopted under this title.

22 (b) (1) If a licensee is charged with a violation of this title that could result in
23 suspension or revocation of the license, OR IF THE SECRETARY HAS ~~REASONABLE~~
24 ~~GOODS PROBABLE CAUSE~~ TO BELIEVE THAT THIS TITLE HAS BEEN, OR WILL BE,
25 VIOLATED THROUGH TRANSACTIONS LIKELY TO OCCUR PURSUANT TO § 12-206 OF
26 THIS SUBTITLE, the Secretary may seek from a circuit court an immediate restraining
27 order to prohibit the licensee from:

28 (i) buying or selling a secondhand precious metal object;

29 (ii) disposing of a secondhand precious metal object; or

30 (iii) disposing of a record about a secondhand precious metal object.

31 (2) The restraining order is in effect until:

32 (i) the court lifts the order; [or]

33 (ii) the charges are adjudicated or dismissed; OR

34 (III) IN THE CASE OF AN EVENT HELD IN ACCORDANCE WITH §
35 12-206 OF THIS SUBTITLE, ARRANGEMENTS ARE MADE BY THE LICENSEE WHICH
36 WILL ENSURE COMPLIANCE WITH THE PROVISIONS OF THIS TITLE.

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1 12-213.

2 A dealer may not [acquire a precious metal object, or take any merchandise in a
3 pawn transaction, from] ENGAGE IN ANY PRECIOUS METALS OR PAWN
4 TRANSACTIONS, OR TRANSACTIONS INVOLVING ITEMS OF PERSONAL PROPERTY
5 WITH an individual who is a minor.

6 12-301.

7 (a) Each dealer shall make a written record, on a form provided by the Secretary,
8 of each business transaction that involves the acquisition of a secondhand precious metal
9 object when the transaction is made.

10 (b) Each pawnbroker shall make a written record, on a form provided by the
11 Secretary, of each business transaction that involves:

12 (1) lending money on pledge of personal property, other than a security or
13 printed evidence of indebtedness; or

14 (2) buying personal property on condition of selling it back at a stipulated
15 price; or

16 (3) [buying] ACQUIRING the following items for the purpose of resale:

17 (i) binoculars;

18 (ii) cameras AND CAMERA EQUIPMENT AND ACCESSORIES;

19 (iii) firearms AND ACCESSORIES;

20 (iv) furs AND LEATHER COATS AND JACKETS;

21 (v) household appliances;

22 (vi) musical instruments, AMPLIFIERS, EQUIPMENT AND
23 ACCESSORIES;

24 (vii) office machines or equipment;

25 (viii) ELECTRONIC EQUIPMENT, INCLUDING BUT NOT LIMITED TO,
26 radios, televisions, videodisc machines, [videocassette] VIDEO recorders AND PLAYERS,
27 and stereo equipment;

28 (ix) [personal] computers, [tapes, and disc recorders;] COMPUTER
29 ACCESSORIES, PARTS AND COMPONENTS, INCLUDING HARDWARE AND SOFTWARE;

30 (x) watches;

31 (xi) bicycles[; and] AND SPORTS EQUIPMENT;

32 (XII) TOOLS;

33 (XIII) LAWN MOWERS AND LAWN AND GARDENING EQUIPMENT;
34 AND

35 [(xii)] (XIV) tangible personal property pledged as collateral.

1 [(c) Each pawnbroker shall make a written record, on a form provided by the
2 Secretary, of each transaction that involves the acquisition of an item described in
3 subsection (b)(3) of this section for the purpose of resale.]

4 [(d)] (C) A separate record entry shall be made for each item involved in a
5 transaction. However, items in a matching set may be recorded as a set if acquired in a
6 single transaction.

7 [(e)] (D) The dealer shall tag each item individually with a number that
8 corresponds to the transaction under which it was acquired. However, items acquired in a
9 matching set may be tagged as a set.

10 12-302.

11 (a) In addition to any other information required by the Secretary, the records of
12 a dealer shall include:

13 (1) the date, place, and time of each transaction that involves the acquisition
14 of a precious metal object;

15 (2) the name and address of the principal, if the transaction is by an agent;

16 (3) a description of the precious metal object, including:

17 (i) its approximate metallic composition;

18 (ii) any jewels, stones, or glass parts;

19 (iii) any mark, number, word, or other identification on the precious
20 metal object;

21 (iv) its weight, if payment is based on weight;

22 (v) a statement whether it appears to have been altered by any means,
23 including:

24 1. obscuring a serial number or identifying feature;

25 2. melting; or

26 3. recutting a gem; and

27 (vi) the amount paid or other consideration;

28 (4) for each individual from whom the dealer acquires a precious metal
29 object OR ITEM OF PERSONAL PROPERTY:

30 (i) the name, date of birth, and driver's license number of the
31 individual; or

32 (ii) identification information about the individual that:

33 1. positively identifies the individual from at least 2 forms of
34 identification, which may include an age of majority card, military identification, or
35 passport; and

9

1 2. provides a physical description of the individual,including
2 the sex, race, any distinguishing features, and approximate age, height, and weight of the
3 individual;

4 (5) a statement indicating whether or not the person making the transaction
5 is personally known to the dealer; and

6 (6) the signature of the person from whom the precious metal object or
7 personal property is acquired and the dealer or employee who accepted the precious
8 metal object.

9 (b) In addition to any other information required by the Secretary, the records of
10 a pawnbroker shall include, for each item pawned:

11 (1) the type of item;

12 (2) its manufacturer, model number, year of manufacture if known, and
13 serial number if known; and

14 (3) its color and size.

15 12-303.

16 Unless otherwise authorized by the Secretary, a dealer shall keep the records
17 required by this subtitle, at a location within the State, for 3 years after the date of the
18 transaction, PROVIDED THAT THE RECORDS ARE KEPT AT THE DEALER'S FIXED
19 BUSINESS ADDRESS WHERE THE TRANSACTIONS OCCURRED OR ANOTHER
20 LOCATION APPROVED BY THE SECRETARY FOR AT LEAST 180 DAYS AFTER THE
21 DATE OF THE TRANSACTION.

22 12-304.

23 ~~(a) A dealer shall submit a copy of each record to the primary law enforcement~~
24 ~~unit AND, IF OPERATING PURSUANT TO § 12-206(B) OF THIS TITLE, ALSO TO THE~~
25 ~~LOCAL LAW ENFORCEMENT UNIT by:~~

26 ~~(1) delivering the copy by 10 A.M. on the next business day after the record~~
27 ~~is made; or~~

28 ~~(2) mailing the copy at the end of the business day when the record is made,~~
29 ~~by first class mail, from a post office or mailbox in the county where the dealer holds a~~
30 ~~license OR, IF OPERATING PURSUANT TO § 12-206(B), IN THE COUNTY WHERE THE~~
31 ~~BUSINESS WAS TRANSACTED.~~

32 (A) (1) A DEALER SHALL SUBMIT A COPY OF EACH RECORD TO THE
33 PRIMARY LAW ENFORCEMENT UNIT IN ACCORDANCE WITH SUBSECTION (B) OF THIS
34 SECTION.

35 (2) IF THE DEALER TRANSACTS BUSINESS IN ACCORDANCE WITH §
36 12-206(B) OF THIS TITLE, THE DEALER ALSO SHALL SUBMIT A COPY OF THE RECORDS
37 TO THE LOCAL LAW ENFORCEMENT UNIT IN ACCORDANCE WITH SUBSECTION (B) OF
38 THIS SECTION.

10

1 (B) THE DEALER SHALL SUBMIT THE RECORDS BY DELIVERING OR MAILING
2 A COPY OF THE RECORD BY THE END OF THE NEXT BUSINESS DAY AFTER THE DAY
3 ON WHICH THE ITEM WAS ACQUIRED.

4 ~~(b)~~ (C) Each copy of a record submitted to the primary law enforcement unit
5 shall include:

- 6 (1) the license number of the dealer;
- 7 (2) the location of each item listed in the record; and
- 8 (3) the information required under § 12-302 of this subtitle.

9 ~~(c)~~ (D) A copy of a record submitted under this section:

- 10 (1) shall be kept confidential;
- 11 (2) is not a public record; and
- 12 (3) is not subject to Title 10, Subtitle 6 of the State Government Article.

13 ~~(d)~~ (E) A [primary] law enforcement unit may destroy the copy of a record
14 submitted under this section after 1 year from the date the [primary] law enforcement
15 unit receives the copy.

16 12-305.

17 (a) ~~(1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A~~ dealer who
18 acquires a precious metal object OR ITEM OF PERSONAL PROPERTY shall keep it in the
19 county where the dealer holds a license for at least 18 days after submitting a copy of a
20 record of its acquisition under § 12-304 of this subtitle.

21 (2) A DEALER WHO ACQUIRES A PRECIOUS METAL OBJECT OR ITEM OF
22 PERSONAL PROPERTY AT AN EVENT WHICH TAKES PLACE AT A LOCATION OTHER
23 THAN THE DEALER'S FIXED BUSINESS ADDRESS SHALL PLACE THE OBJECT AND A
24 RECORD OF ITS ACQUISITION AT A LOCATION IN ACCORDANCE WITH SUBSECTION
25 (D)(1) OR (2) OF THIS SECTION BY THE NEXT BUSINESS DAY AFTER ACQUIRING THE
26 OBJECT.

27 (3) IN PARTIAL COMPLIANCE WITH THE 18-DAY HOLDING
28 REQUIREMENT UNDER THIS SUBSECTION, A DEALER MAY MAINTAIN AN OBJECT
29 AND THE RECORD OF ITS ACQUISITION AT A LOCATION OTHER THAN THE DEALER'S
30 FIXED BUSINESS ADDRESS, IF THE LOCAL LAW ENFORCEMENT UNIT IN THE
31 JURISDICTION WHERE THE ITEM WAS ACQUIRED PROVIDES WRITTEN APPROVAL.

32 (b) (1) A dealer may submit to the primary law enforcement unit a written
33 request for a shorter holding period for a specific precious metal object OR ITEM OF
34 PERSONAL PROPERTY.

35 (2) Within 48 hours after the primary law enforcement unit receives a
36 request, the primary law enforcement unit shall approve or deny the request.

11

1 (3) After inspecting the precious metal object OR ITEM OF PERSONAL
2 PROPERTY, the primary law enforcement unit may authorize in writing a shorter holding
3 period.

4 (4) If the primary law enforcement unit denies the request, the primary law
5 enforcement unit shall state the reasons in writing.

6 (c) (1) Except as provided in paragraph (2) of this subsection, a dealer may not
7 alter a precious metal object OR ITEM OF PERSONAL PROPERTY before or during the
8 holding period.

9 (2) During the holding period, a dealer may chemically test a precious metal
10 object to determine its metal content or value if the dealer does not alter the precious
11 metal object so as to affect its identification or value.

12 (d) During the holding period for AN ITEM OF PERSONAL PROPERTY OR a
13 precious metal object, a dealer shall keep the ITEM OF PERSONAL PROPERTY OR
14 precious metal object and the record of its acquisition in:

15 (1) the place of business of the dealer; or

16 (2) a storage facility specified in the license application of the dealer.

17 ~~(E) A DEALER WHO ACQUIRES A PRECIOUS METAL OBJECT OR ITEM OF~~
18 ~~PERSONAL PROPERTY AT AN EVENT WHICH TAKES PLACE AT A LOCATION OTHER~~
19 ~~THAN THE DEALER'S FIXED BUSINESS ADDRESS SHALL PLACE THE OBJECT AND THE~~
20 ~~RECORD OF ITS ACQUISITION AT A LOCATION IN ACCORDANCE WITH SUBSECTION~~
21 ~~(D)(1) OR (D)(2) OF THIS SECTION BY 10:00 A.M. THE NEXT BUSINESS DAY AFTER~~
22 ~~ACQUIRING THE OBJECT.~~

23 12-306.

24 (a) A dealer shall allow an authorized law enforcement officer OR AGENT, on
25 request, to enter the place of business or storage premises of the dealer during business
26 hours to inspect a record REQUIRED TO BE MAINTAINED UNDER THIS TITLE or
27 precious metal object [as part of a stolen property investigation.] OR ITEM OF
28 PERSONAL PROPERTY AS PART OF A STOLEN PROPERTY INVESTIGATION OR AN
29 INVESTIGATION OF A VIOLATION OF THIS TITLE.

30 (b) (1) On request of the dealer, the officer OR AGENT shall make the
31 inspection in the presence of the dealer or an agent of the dealer.

32 (2) If the dealer refuses to allow access or produce the record or precious
33 metal object OR ITEM OF PERSONAL PROPERTY for inspection, the officer OR AGENT
34 shall seek a search warrant.

35 (3) A WARRANT AUTHORIZING AN ADMINISTRATIVE INSPECTION FOR
36 POSSIBLE REGULATORY VIOLATIONS SHALL BE ISSUED IF THE OFFICER OR AGENT
37 ESTABLISHES ~~A REASONABLE BASIS~~ PROBABLE CAUSE FOR THE SELECTION OF THE
38 PLACE OF BUSINESS IN QUESTION FOR INSPECTION AND THAT THE INSPECTION
39 WILL BE REASONABLY LIMITED IN TIME, PLACE, AND SCOPE.

12

1 (C) A DEALER WHO REFUSES TO ALLOW ACCESS OR TO PRODUCE RECORDS,
2 PRECIOUS METAL OBJECTS OR ITEMS OF PERSONAL PROPERTY FOR INSPECTION ON
3 REQUEST, SHALL BE SUBJECT TO THE PROVISIONS OF § 12-209 OF THIS TITLE AND, IN
4 ADDITION, MAY BE ~~FINED UP TO \$500~~ ASSESSED A CIVIL PENALTY AS PROVIDED IN
5 SUBSECTION (D) OF THIS SECTION.

6 (D) (1) THE SECRETARY MAY IMPOSE ON A LICENSEE WHO VIOLATES THIS
7 SECTION A CIVIL PENALTY NOT EXCEEDING \$500 FOR EACH VIOLATION.

8 (2) IN SETTING THE AMOUNT OF A CIVIL PENALTY UNDER THIS
9 SUBSECTION, THE SECRETARY SHALL CONSIDER:

10 (I) THE SERIOUSNESS OF THE VIOLATION;

11 (II) THE GOOD FAITH OF THE VIOLATOR;

12 (III) ANY PREVIOUS VIOLATIONS;

13 (IV) THE HARMFUL EFFECT OF THE VIOLATION ON THE
14 COMPLAINANT, THE PUBLIC, AND THE BUSINESS OF THE DEALER OR PAWNBROKER;
15 AND

16 (V) ANY OTHER RELEVANT FACTORS.

17 12-402.

18 (A) IF THERE IS PROBABLE CAUSE TO BELIEVE THAT A VIOLATION OF THIS
19 TITLE HAS OCCURRED, THE SECRETARY SHALL HAVE THE AUTHORITY TO ISSUE
20 SUBPOENAS FOR RECORDS, REPORTS, OR ARTICLES IN CONNECTION WITH ANY
21 INVESTIGATION OR ADMINISTRATIVE PROCEEDING UNDER THIS TITLE.

22 (B) IF A LICENSEE OR A LICENSEE'S EMPLOYEE FAILS TO COMPLY WITH A
23 SUBPOENA ISSUED UNDER THIS SECTION, ON PETITION OF THE SECRETARY, A
24 CIRCUIT COURT MAY COMPEL COMPLIANCE WITH THE SUBPOENA.

25 ~~12-502.~~

26 ~~A DEALER MAY NOT ACCEPT A MOTORCYCLE, MOTOR VEHICLE, BOAT, OR~~
27 ~~REAL PROPERTY IN PAWN.~~

28 ~~{12-502.} 12-503.~~

29 (a) ~~{A} EXCEPT FOR A VIOLATION OF § 12-305 OF THIS TITLE,~~ A person who
30 willfully or knowingly violates this title is guilty of a misdemeanor and, on conviction, is
31 subject to a fine not exceeding ~~\$5,000~~ \$10,000 or imprisonment not exceeding ~~1 year~~ 2
32 YEARS or both.

33 ~~(B) A PERSON WHO FAILS TO COMPLY WITH THE REQUIREMENTS OF § 12-305~~
34 ~~OF THIS TITLE SHALL BE GUILTY OF A FELONY AND, ON CONVICTION, IS SUBJECT TO~~
35 ~~A FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 15 YEARS OR~~
36 ~~BOTH.~~

37 ~~{(b)}~~ ~~(C)~~ Each associate, employee, manager, or partner who participates in or
38 consents to a violation of this title is guilty of a misdemeanor and, on conviction, is subject
39 to a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or both.

13

1 ~~{(c)}~~ ~~(D)~~ Each violation of this title is a separate offense.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 1996.