

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 392
Judiciary

(Delegate Niemann, *et al.*)

Gun Shops – Storage Vaults 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 a vault that is secured to the floor and that can hold all the regulated firearms offered for sale. A licensee is required to store in the vault all regulated firearms for sale when the licensee's place of business is closed. The bill requires current licensees to comply with these provisions by July 1, 2005.

The secretary is authorized to deny a dealer's license to any applicant or suspend or revoke a dealer's license if the applicant or licensee violates the bill's provisions.

Fiscal Summary

State Effect: None. Enforcement responsibilities could be handled with the existing budgeted resources of the Department of 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.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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