

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 476

(Howard County Delegation)

Economic Matters

Finance

**Howard County - Dealers - Precious Metal Objects - Electronic Transfer of
Records
Ho. Co. 11-05**

This bill requires a licensed dealer of precious metal objects in Howard County to submit a copy of specified records electronically to law enforcement units by the end of each business day. The bill does not apply to an antique dealer that does not engage in pawn transactions and holds a valid trader's license or dealer's license under State law.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill would not significantly affect Howard County operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 175 of 2004 required the Secretary of Labor, Licensing, and Regulation to encourage secondhand dealers, pawnbrokers, and local law enforcement units to develop a system for transmitting records electronically of transactions involving secondhand precious metal objects. Chapter 175 authorized secondhand dealers and pawnbrokers to electronically submit records of these transactions to a local law enforcement agency in a format acceptable to the receiving law enforcement agency.

Chapter 175 also provided that electronic transfer of records must be completed by the end of the business day in which an object was acquired.

Transaction records are required to contain: (1) the license number of the dealer; (2) the location of each item listed in the record; and (3) information specified under Section 12-302 of the Business Regulation Article.

A person who willfully or knowingly violates a law regarding secondhand precious metal objects is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$10,000, imprisonment for up to two years, or both. Each associate, employee, manager, or partner who participates in or consents to a violation is guilty of a misdemeanor, and on conviction, is subject to a fine of up to \$5,000, imprisonment for up to one year, or both. In addition, the Secretary of Labor, Licensing, and Regulation may impose a civil penalty of up to \$5,000 for each violation.

Background: The bill applies to pawnbrokers and retail jewelers located in Howard County.

The Department of Labor, Licensing, and Regulation (DLLR) defines a precious metal object as a precious metal containing gold, iridium, palladium, platinum, or silver; a precious or semiprecious stone, or a pearl, that is or appears to be attached to or inlaid in a precious metal or alloy of a precious metal; or an object that is composed of a precious metal or precious metal alloy if at least 25% of the object's weight is precious metal or the market value of the metal in the object lies primarily in the precious metal component. DLLR advises that there are 274 licensed secondhand dealers and pawnbrokers in Maryland.

Small Business Effect: Dealers of precious metal objects who do not have the capability to submit transaction reports electronically due to lack of computer equipment would have to purchase the necessary equipment. It is not known how many dealers would be affected by this.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Howard County; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2005
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