

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 844

(Carroll County Senators)

Education, Health, and Environmental Affairs

Economic Matters

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**Carroll County - Regulation of Pawnbrokers and Secondhand Dealers**

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This bill authorizes the Carroll County Commissioners to license and regulate pawnbrokers and secondhand dealers to identify and return stolen property. The county commissioners are authorized to establish recordkeeping and reporting requirements, determine holding periods, set fees and civil penalties, and provide for enforcement as necessary for industry regulation.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Carroll County could experience minimal increases in regulatory and enforcement requirements, which could be handled with existing resources. Potential minimal increase in revenues from fees and civil penalties.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** The Department of Labor, Licensing, and Regulation regulates dealers who acquire and trade secondhand precious metal objects, including gold, iridium, palladium, platinum, silver, precious and semiprecious stones, and pearls. Dealers of these objects, including individuals, retail jewelers, and pawnbrokers not otherwise regulated by a county, must be licensed before doing business in the State. An unlicensed dealer is guilty of a misdemeanor and subject to a maximum fine of \$10,000 and imprisonment for up to two years. The Secretary of Labor, Licensing, and

Regulation is also authorized to impose civil penalties of up to \$5,000, payable to the general fund.

**Background:** The State currently licenses 265 secondhand precious metal object dealers and pawnbrokers. All pawnbrokers must be licensed by the State, unless otherwise regulated by a county. Jurisdictions regulating pawnbrokers include Baltimore City, Montgomery County, and Prince George's County. All secondhand precious metal object dealers are required to be licensed by the State before doing business, regardless of whether regulated locally as a pawnbroker.

**Local Fiscal Effect:** Carroll County advises that development of licensing regulations could be handled with existing resources. Because there are only two pawnbrokers in the county, this bill is expected to have a minimal impact on local law enforcement activity. Likewise, the amount of fees and civil penalties collected as a result of this bill are expected to be minimal.

**Small Business Effect:** Because Carroll County does not currently regulate pawnbrokers, it is assumed that these businesses are currently subject to State licensing and regulation requirements. Any modifications in regulatory jurisdiction would not be expected to have a significant impact on these businesses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 7, 2007  
ncs/hlb Revised - Senate Third Reader - March 23, 2007

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