

# HOUSE BILL 1177

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By: **Chair, Economic Matters Committee (By Request – Departmental – State Police)**

Introduced and read first time: February 8, 2008

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 14, 2008

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Secondhand Precious Metal Object Dealers and Pawnbrokers – Electronic**  
3 **Reporting**

4 FOR the purpose of requiring certain secondhand precious metal object dealers and  
5 pawnbrokers to submit certain records to certain law enforcement units in a  
6 certain manner and at a certain time; providing for the construction of this Act;  
7 providing for a certain report to certain committees of the General Assembly on  
8 or before a certain date; exempting certain antique dealers from the reporting  
9 requirement; and generally relating to the records of secondhand precious metal  
10 object dealers and pawnbrokers.

11 BY repealing and reenacting, with amendments,  
12 Article – Business Regulation  
13 Section 12–304  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2007 Supplement)

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

18 **Article – Business Regulation**

19 12–304.

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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 (a) (1) A dealer shall submit a copy of each record to the primary law  
2 enforcement unit in accordance with subsection (b) of this section.

3 (2) If the dealer transacts business in accordance with § 12–206(b) of  
4 this title, the dealer also shall submit a copy of the records to the local law  
5 enforcement unit in accordance with subsection (b) of this section.

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

8 [(4) The Secretary shall encourage dealers and local law enforcement  
9 units to develop a system for transmitting records electronically.]

10 (b) (1) [Except as provided in paragraph (2) of this subsection, the] **THE**  
11 dealer shall submit the records [by one of the following methods:

12 (i) by delivering or mailing a copy of the records by the end of  
13 the next business day after the day on which the item was acquired; or

14 (ii)] by transmitting a copy of the records electronically, in a  
15 format acceptable to the receiving law enforcement unit, by the end of each business  
16 day.

17 (2) [(i) A dealer who holds a license for a place of business in  
18 Howard County shall submit the records to the law enforcement unit by transmitting  
19 a copy of the records electronically in accordance with paragraph (1)(ii) of this  
20 subsection.

21 (ii) Subparagraph (i) of this paragraph] **PARAGRAPH (1) OF**  
22 **THIS SUBSECTION** does not apply to an antique dealer that:

23 [1.] **(I)** does not engage in pawn transactions; and

24 [2.] **(II)** holds a valid trader's license or dealer's license  
25 under State law.

26 (c) Each copy of a record, submitted to the primary law enforcement unit  
27 and, if applicable, local law enforcement unit, shall include:

28 (1) the license number of the dealer;

29 (2) the location of each item listed in the record; and

30 (3) the information required under § 12–302 of this subtitle.

31 (d) A copy of a record submitted under this section:

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

5 (e) A law enforcement unit may destroy the copy of a record submitted under  
6 this section after 1 year from the date the law enforcement unit receives the copy.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be  
8 construed to require a pawnbroker or secondhand precious metal objects dealer to  
9 obtain additional computer software at the pawnbroker's or dealer's expense or to pay  
10 a transaction fee to submit an electronic report as required by this Act.

11 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1,  
12 2008, the Department of State Police and the Department of Labor, Licensing, and  
13 Regulation jointly shall study and report to the House Economic Matters Committee  
14 and the Senate Education, Health, and Environmental Affairs Committee, in  
15 accordance with § 2-1246 of the State Government Article, regarding the licensing and  
16 reporting requirements for the sale of secondhand items in the State.

17 (a) To prepare the report, the departments shall:

18 (1) evaluate any gaps in the current licensing and reporting  
19 requirements for the sale of secondhand items in the State;

20 (2) determine the estimated impact of any gaps in the current law on  
21 the ability of law enforcement to recover stolen items, as well as any other  
22 enforcement issues, including limitations on enforcement related to sales conducted  
23 over the Internet; and

24 (3) develop recommendations regarding the appropriate scope of  
25 licensing and reporting requirements for the sale of secondhand items, including  
26 electronic sales.

27 (b) In developing the report, the departments shall solicit public comments  
28 from the affected stakeholders, including antique dealers, pawnbrokers, secondhand  
29 precious metal objects dealers, secondhand retail shops, and businesses that arrange  
30 sales of secondhand items predominantly by electronic commerce.

31 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
32 effect October 1, 2008.