

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 342
Economic Matters

(Delegate Pena-Melnyk)

Pawnbrokers - Required Records - Photographs of Individuals

This bill requires a pawnbroker to photograph each individual selling an item worth more than \$100 in a pawn transaction. The pawnbroker has to keep a record that includes the photograph and bill of sale of the pawned item for one year following the transaction.

Fiscal Summary

State Effect: Potential minimal operational impact on the Department of State Police as the primary law enforcement for certain jurisdictions.

Local Effect: Potential minimal impact on local regulatory and enforcement agencies due to additional pawn transaction requirements. Any additional enforcement activity could be handled with existing resources.

Small Business Effect: Potential minimal increase in equipment and administrative expenditures to meet recordkeeping requirements.

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.

Licenses are required to maintain records of all transactions that involve the acquisition of secondhand precious metal objects, including identifying information and a physical description of the person from whom the object was acquired. Additional requirements apply to records of specified pawn transactions that do not include secondhand precious metals. All secondhand precious metal object records must be submitted to law enforcement and retained by the dealer for at least three years in a location within the State. Any secondhand precious metal object acquired by a dealer must be held for at least 18 days after a record is submitted to law enforcement.

Background: The State currently licenses 234 secondhand precious metal object dealers and pawnbrokers. All pawnbrokers must be licensed by the State, unless otherwise regulated by a county. Jurisdictions regulating pawnbrokers are Baltimore City and Anne Arundel, Carroll, Harford, Howard, Montgomery, Prince George's, and Washington counties. 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.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mcp/ljm

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