

HOUSE BILL 1039

C2

9lr2461
CF SB 597

By: **Delegate Davis**

Introduced and read first time: February 13, 2009

Assigned to: Economic Matters

A BILL ENTITLED

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; exempting certain antique dealers from
7 the reporting requirement; providing for the construction of this Act; providing
8 for a certain report to certain committees of the General Assembly on or before a
9 certain date; 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 2008 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.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

9 (ii) by transmitting a copy of the records electronically, in a
10 format acceptable to the receiving law enforcement unit, by the end of each business
11 day.

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

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

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

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

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

23 (1) the license number of the dealer;

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

25 (3) the information required under § 12-302 of this subtitle.

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

27 (1) shall be kept confidential;

28 (2) is not a public record; and

29 (3) is not subject to Title 10, Subtitle 6 of the State Government
30 Article.

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

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

7 SECTION 3. AND BE IT FURTHER ENACTED, That:

8 (a) On or before December 1, 2009, the Department of State Police and the
9 Department of Labor, Licensing, and Regulation jointly shall report to the House
10 Economic Matters Committee and the Senate Education, Health, and Environmental
11 Affairs Committee, in accordance with § 2-1246 of the State Government Article,
12 regarding the licensing and reporting requirements for the sale of secondhand items in
13 the State.

14 (b) To prepare the report, the departments shall:

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

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

21 (3) develop recommendations regarding the appropriate scope of
22 licensing and reporting requirements for the sale of secondhand items, including
23 electronic sales.

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

28 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2009.