

# SENATE BILL 597

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CF HB 1039

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By: **Senators Conway, Gladden, Jones, McFadden, and Pugh Pugh, and Dyson**

Introduced and read first time: February 6, 2009

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 2009

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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 information and certain records to certain law  
6 enforcement units in a certain manner and at a certain time; ~~exempting certain~~  
7 ~~antique dealers from the reporting requirement; repealing a certain exemption~~  
8 to a requirement to submit certain records in a certain manner and at a certain  
9 time; authorizing the Governor's Office of Crime Control and Prevention to  
10 authorize certain law enforcement units to require or receive certain records in  
11 certain formats under certain circumstances; providing for the construction of  
12 this Act; providing for a certain report to certain committees of the General  
13 Assembly on or before a certain date; and generally relating to the records of  
14 secondhand precious metal object dealers and pawnbrokers.

15 BY repealing and reenacting, with amendments,  
16 Article – Business Regulation  
17 Section 12–304  
18 Annotated Code of Maryland  
19 (2004 Replacement Volume and 2008 Supplement)

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

22 **Article – Business Regulation**

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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 12-304.

2 (a) (1) A dealer shall submit ~~a copy of~~ **THE REQUIRED INFORMATION**  
 3 **FROM** each record to the primary law enforcement unit in accordance with subsection  
 4 (b) of this section.

5 (2) If the dealer transacts business in accordance with § 12-206(b) of  
 6 this title, the dealer also shall submit ~~a copy of~~ **THE REQUIRED INFORMATION FROM**  
 7 the records to the local law enforcement unit in accordance with subsection (b) of this  
 8 section.

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

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

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

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

17 (ii) by transmitting ~~a copy of~~ **THE REQUIRED INFORMATION**  
 18 **FROM** the records electronically, in a format acceptable to the receiving law  
 19 enforcement unit, by ~~the end of each~~ **NOON OF THE NEXT** business day.

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

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

26 ~~[1.] (I) does not engage in pawn transactions; and~~

27 ~~[2.] (II) holds a valid trader's license or dealer's license~~  
 28 ~~under State law.~~

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

31 (1) the license number of the dealer;

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

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

2 (d) ~~A copy of~~ **THE REQUIRED INFORMATION FROM** a record submitted  
3 under this section:

4 (1) shall be kept confidential;

5 (2) is not a public record; and

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

8 (e) A law enforcement unit may ~~destroy the copy of~~ **CEASE TO MAINTAIN** a  
9 record submitted under this section after 1 year from the date the law enforcement  
10 unit receives the copy.

11 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
12 provision of Section 1 of this Act, for a primary law enforcement unit that does not  
13 have an electronic reporting system in place on or before October 1, 2009, the  
14 Governor's Office of Crime Control and Prevention, during the 1-year period  
15 beginning October 1, 2009, through the end of September 30, 2010, may authorize:

16 (1) the primary law enforcement unit to require paper reporting from  
17 the entities covered under this Act; or

18 (2) a local law enforcement unit within a county to receive records  
19 electronically until the primary law enforcement unit has an electronic reporting  
20 system in place.

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

25 ~~SECTION 2. 4.~~ AND BE IT FURTHER ENACTED, That:

26 (a) On or before December 1, 2009, the ~~Department of State Police and~~  
27 Governor's Office of Crime Control and Prevention, in consultation with the  
28 Department of Labor, Licensing, and Regulation jointly and local law enforcement  
29 units, shall report to the House Economic Matters Committee and the Senate  
30 Education, Health, and Environmental Affairs Committee, in accordance with §  
31 2-1246 of the State Government Article, regarding the licensing and reporting  
32 requirements for the sale of secondhand items in the State.

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

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

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

7 (3) develop recommendations for legislation regarding the appropriate  
8 scope of licensing and reporting requirements for the sale of secondhand items by all  
9 participants in the secondhand industry, including electronic sales.

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

14 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect October 1, 2009.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.