

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1217

(Delegate Ramirez, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

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Prince George's County - Secondhand Precious Metal Object Dealers - Precious  
Metal Objects - Holding Period

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This bill increases the length of the holding period for precious metal objects acquired by licensed secondhand precious metal object dealers in Prince George's County from 18 to 30 days.

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Fiscal Summary

**State Effect:** The bill does not directly affect governmental operations or finances.

**Local Effect:** The bill does not materially affect the operations or finances of Prince George's County.

**Small Business Effect:** Potential meaningful. Extending the holding period by 12 days for dealers in Prince George's County adds uncertainty to the future value of precious metal objects due to frequent fluctuations in global market prices.

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Analysis

**Current Law:** The Department of Labor, Licensing, and Regulation (DLLR) 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.

Licensees are required to record specified information for each transaction on a form provided by the Secretary of Labor, Licensing, and Regulation. Records must be kept for

at least three years at a location within the State. Further, dealers must submit records by transmitting the required information from the records electronically, in a format acceptable to the receiving law enforcement unit, by noon of the business day following the transaction. Licensees 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. 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.

Persons who violate the State law relating to secondhand precious metal object dealers may face criminal and civil penalties. Persons who willfully or knowingly violate these provisions are guilty of a misdemeanor and may be imprisoned for two years and are also subject to fines of up to \$10,000. The Secretary may also fine a person who violates the law up to \$5,000 per offense.

**Background:** The State uses the Regional Automated Property Information Database (RAPID) system to transmit acquisition information from secondhand dealers to local law enforcement through an Internet interface. RAPID enables police departments statewide to immediately gain access to timely information about property that has been sold to pawnbrokers, precious metal dealers, or vehicle salvage yards. According to the Department of State Police, law enforcement units in Maryland recovered more than \$50,000 in stolen property during October 2009 – the first month RAPID was active.

Some jurisdictions – such as Anne Arundel, Montgomery, and Prince George’s counties – have established 30-day holding periods for secondhand transactions that do not involve precious metal objects.

**Small Business Effect:** DLLR advises that most of its licensed dealers are small businesses. Because the value of secondhand precious metals fluctuates daily, extending the holding period may impact dealers in Prince George’s County negatively or positively based on changes in the global market. For example, between January and February 2009 the price of gold increased by about \$84 per ounce from \$858.69 to \$943.16. Later in 2009, the price of gold decreased by nearly \$34 per ounce from \$924.27 in March to \$890.66 in April. By December 2009, the price of gold was back up to \$1,134.72 per ounce.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** London Gold Bullion Market; Prince George's County; Governor's Office of Crime Control and Prevention; Department of State Police; Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2010  
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