CHAPTER ______

AN ACT concerning

Public Safety—Firearms Dealers—Storage Vaults for Regulated Firearms

Income Tax—Credit for Firearm Safety Devices

FOR the purpose of requiring an applicant for a regulated firearms dealer’s license to provide evidence satisfactory to the Secretary of State Police that the applicant’s proposed place of business has a certain vault to store all regulated firearms to be offered for sale; requiring a licensee to store all regulated firearms for sale in a certain vault when the licensee’s place of business is closed; requiring a certain licensee to comply with the storage requirement on or before a certain date; and generally relating to regulated firearms dealers and regulated firearms authorizing a credit against the State income tax for the purchase of certain firearm safety devices during the taxable year; making the credit refundable; and generally relating to a credit against the State income tax for firearm safety devices.

BY adding to

Article—Public Safety

Section 5–110.1
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article—Public Safety

Section 5–114
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

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.
BY adding to
Article – Tax – General
Section 10–754
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article—Public Safety

5–110.1.

(A) Before the Secretary issues a dealer’s license to an applicant, the applicant shall provide evidence satisfactory to the Secretary that the applicant’s proposed place of business has a vault that is secured to the floor and that can hold all of the regulated firearms to be offered for sale.

(B) (1) Except as provided in paragraph (2) of this subsection, when a licensee’s place of business is closed, the licensee shall store all regulated firearms for sale in a vault described in subsection (a) of this section.

(2) A person who holds a dealer’s license on or before October 1, 2022, shall comply with this subsection on or before July 1, 2023.

5–114.

(a) (1) The Secretary shall suspend a dealer’s license if the licensee:

(i) is under indictment for a crime of violence; or

(ii) is arrested for a violation of this subtitle that prohibits the purchase or possession of a regulated firearm.

(2) (i) The Secretary may suspend a dealer’s license if the licensee is not in compliance with the record-keeping and reporting requirements of § 5–145 of this subtitle.

(ii) The Secretary may lift a suspension under this paragraph after the licensee provides evidence that the record-keeping violation has been corrected.

(b) The Secretary shall revoke a dealer’s license if:
it is discovered that false information has been supplied or false
statements have been made in an application required by this subtitle; or

(2) the licensee;

(i) is convicted of a disqualifying crime;

(ii) is convicted of a violation classified as a common law crime and
receives a term of imprisonment of more than 2 years;

(iii) is a fugitive from justice;

(iv) is a habitual drunkard;

(v) is addicted to a controlled dangerous substance or is a habitual
user;

(vi) has spent more than 30 consecutive days in a medical institution
for treatment of a mental disorder, unless the licensee produces a physician’s certificate,
issued after the last institutionalization and certifying that the licensee is capable of
possessing a regulated firearm without undue danger to the licensee or to another;

(vii) has knowingly or willfully manufactured, offered to sell, or sold
a handgun not on the handgun roster in violation of § 5–406 of this title; or

(viii) has knowingly or willfully participated in a straw purchase of a
regulated firearm.

(c) The Secretary may deny a dealer’s license to an applicant or
suspend or revoke a dealer’s license if the applicant or licensee fails
to comply with § 5–110.1 of this subtitle.

If the Secretary suspends or revokes a dealer’s license, the Secretary
shall notify the licensee in writing of the suspension or revocation.

A person whose dealer’s license is suspended or revoked may not engage
in the business of selling, renting, or transferring regulated firearms, unless the suspension
or revocation has been subsequently withdrawn by the Secretary or overruled by a court in
accordance with § 5–116 of this subtitle.

Article – Tax – General

In this section, “firearm safety device” means any device that:
(1) (I) WHEN INSTALLED ON A FIREARM, IS DESIGNED TO PREVENT THE FIREARM FROM BEING OPERATED WITHOUT FIRST DEACTIVATING THE DEVICE; AND

(II) IS DESIGNED TO PREVENT THE OPERATION OF THE FIREARM BY ANYONE NOT HAVING ACCESS TO THE DEVICE; OR

(2) IS A SAFE, GUN SAFE, GUN CASE, LOCK BOX, OR OTHER DEVICE THAT IS DESIGNED TO BE OR CAN BE USED TO STORE A FIREARM AND THAT IS DESIGNED TO BE UNLOCKED ONLY BY MEANS OF A KEY, A COMBINATION, OR OTHER SIMILAR MEANS.

(B) (1) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE AMOUNT PAID BY THE INDIVIDUAL TO PURCHASE A FIREARM SAFETY DEVICE DURING THE TAXABLE YEAR IN AN AMOUNT EQUAL TO THE LESSER OF:

(I) 100% OF THE PURCHASE PRICE FOR THE FIREARM SAFETY DEVICE; OR

(II) $250.

(2) FOR ANY TAXABLE YEAR, THE TAX CREDIT UNDER THIS SECTION MAY BE CLAIMED ONLY ONCE BY AN INDIVIDUAL.

(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

(D) TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION, THE INDIVIDUAL SHALL ATTACH TO THE INDIVIDUAL’S INCOME TAX RETURN OR OTHERWISE FILE WITH THE COMPTROLLER PROOF OF PAYMENT BY THE INDIVIDUAL OF THE PURCHASE PRICE FOR WHICH THE INDIVIDUAL MAY CLAIM THE CREDIT UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.