

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1191 (Delegate Boaf0)
Economic Matters

Secondhand Precious Metal Object Dealers - Temporary Event-Based Dealer
Limited License - Establishment

This bill authorizes the Maryland Secretary of Labor to issue a limited license to a secondhand precious metal dealer who does not have a permanent place of business in the State to do business as a temporary event-based dealer in the State. The holder of a limited license may only conduct business at discrete events of limited duration at specified locations that are the permanent place(s) of business of one or more licensees. The fees, term, and regulation of a limited license are the same as for a secondhand precious metal license. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund revenues may decrease minimally beginning in FY 2027, as discussed below. Expenditures are not affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Limited license” means a license issued by the Secretary to do business as a temporary event-based dealer. “Temporary event-based dealer” means a person who acquires commercially from the public or trades commercially with the public in secondhand precious metal objects at discrete events of limited duration at one or more locations that (1) are not the permanent place of business of the limited licensee and (2) are the permanent places of business of one or more licensees.

A person must have a limited license before the person does business as a temporary event-based dealer in the State.

Application Requirements

An applicant that does not maintain a fixed business address in the State may apply to the Secretary for a limited license. The applicant must submit an application on the form provided by the Secretary and pay a nonrefundable \$300 application fee.

The applicant must sign the application under oath. In addition to any other information required by the Secretary, the application must state:

- the name and principal address of the applicant;
- a telephone number at which the applicant can be reached during normal business hours;
- each address where the applicant has conducted any business during the 36 months before application;
- the name and permanent address of each employee where the applicant as a temporary event-based dealer;
- the fixed business address of an individual licensed where the applicant primarily will conduct business as temporary event-based dealer; and
- the fixed address in the State where precious metal objects will be stored.

The application form must have a statement that states the applicant agrees to allow a municipal, county, or State police officer or agent acting in the course of a stolen property investigation or an investigation of the Act, to inspect and photograph all precious metal objects and records at the place of business or storage locations.

Scope of License

A limited license authorizes the licensee to operate as a dealer only at the primary address for which the license is issued and any additional addresses included in the licensee's application. Upon issuance of a limited license, the primary address provided in the application must be considered the fixed business address of the limited license holder. The holder of a limited license is responsible for all record keeping, holding, and inspection requirements imposed on dealers under the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act.

Alteration of License

A limited licensee may add additional locations at which the licensee may conduct temporary event-based dealings only if the licensee (1) submits to the Secretary an application to add additional approved locations to the limited license and (2) receives the written approval of the Secretary.

Current Law: Under the Maryland Secondhand Precious Metal Object Dealers and Pawnbrokers Act, the Maryland Department of Labor (MD Labor) regulates dealers who acquire and trade secondhand precious metal objects, including gold and silver. Dealers of these objects, including individuals, retail jewelers, and pawnbrokers who deal in secondhand precious metal objects, must be licensed before doing business in the State. The fee for an initial license is \$300, and the renewal fee is \$265. Licenses must be renewed biennially.

A “dealer” means (1) an individual who acquires commercially from the public or trades commercially with the public in secondhand precious metal objects; (2) an individual who for compensation arranges for the sale or delivery of a secondhand precious metal object on behalf of a person that does not hold a license under the Act; or (3) unless otherwise provided, a pawnbroker.

License Requirements

The Secretary must issue a license to each applicant who meets the requirements and provides a complete national and State criminal record report. A license may be issued only for a fixed business address, and the Secretary may not issue a license for an address that is (1) a hotel or motel room; (2) a motor vehicle; (3) a post office box; or (4) a location that does not meet the qualifications.

The Secretary may not issue more than one license for any single business location (unless the dealers at that location are in partnership) and may not issue a license to a minor.

If a license is suspended or revoked, another license may not be issued for the same business location unless the applicant provides the documentation and information, as required by regulation, that the new business is separate and independent from the prior revoked or suspended operation.

Scope of License

In general, a dealer may only purchase secondhand precious metal objects at the address for which the dealer’s license is issued. However, a dealer may:

- make purchases at an estate sale;
- make purchases at a judicial sale; and
- transact business at the residence of the owner of a precious metal object, on request of the owner, and after giving written notice of the proposed transaction to local law enforcement.

Each licensee must display the license conspicuously in the place of business of the licensee.

Compliance Requirements

Licensees must record specified information for each transaction and maintain these records for at least three years at a location within the State. Records must be submitted electronically to a receiving law enforcement unit by noon of the business day following the transaction. Licensees are required to maintain written 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 in the county where the dealer holds a license, after a record is submitted to law enforcement. A dealer may submit a request to the primary law enforcement unit for a shorter holding period for a specific precious metal object.

A licensee may change the place of business for which a license is issued only if the licensee (1) submits to the Secretary an application to transfer the license to a new business location on a form that the Secretary provides and (2) receives the written approval of the Secretary.

Exemptions

The Act does not apply to (1) merchandise acquired from an established manufacturer or dealer (if specified recordkeeping requirements are met); (2) metal acquired for use in dentistry; (3) coins or numismatic items; or (4) junk or scrap metal. Additionally, transaction requirements do not apply to certain retail jewelers with a fixed Maryland business address or pawnbrokers.

Penalties

The Secretary may deny a license to an applicant, reprimand a licensee, or suspend or revoke a license if the applicant or licensee or an agent:

- fraudulently or deceptively obtains, attempts to obtain, or uses a license;
- has a similar license denied, suspended, or revoked in another jurisdiction;
- is convicted of a felony or misdemeanor that is directly related to the fitness and qualification;
- knowingly employs an individual convicted or whose license has been revoked; or
- willfully fails to provide or misrepresents any information required.

In addition, the Secretary may impose a penalty of up to \$5,000 for each violation. The Secretary must pay any penalty collected into the general fund.

If the Secretary has probable cause to believe a violation has occurred, they may seek an immediate restraining order from a circuit court to prohibit the licensee from buying, selling, or disposing of precious metal objects or records.

Furthermore, a dealer must allow an authorized law enforcement officer or agent to enter the place of business or storage premises during business hours to inspect as part of a stolen property investigation. A dealer who refuses access is subject to a civil penalty of up to \$500 per violation.

State Revenues: MD Labor advises that out-of-State dealers may obtain a secondhand precious metal dealer license to serve as a temporary event dealer in the State, but they must obtain a separate license for each location. For example, MD Labor advises that there is currently one out-of-State dealer that has obtained nine licenses to conduct special events at fixed business locations in different counties. This bill, however, requires the dealer to have only one limited license. Based on this example, the minimal revenue loss could approach \$2,120 in fiscal 2027 from this one dealer alone, as it would no longer be required to renew eight of its current licenses at the \$265 renewal fee per license.

Therefore, general fund revenues may decrease minimally beginning in fiscal 2027 to the extent that out-of-State dealers require only one limited license to operate as a temporary event dealer at multiple locations in the State (which must be specified on the license), instead of paying for multiple licenses for each location. Although a reliable estimate is not feasible, any such decrease is expected to be minimal.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Governor's Office of Crime Prevention and Policy; Maryland Department of Labor; Department of State Police; Department of Legislative Services

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