

SENATE BILL 597

C2

(9lr2828)

ENROLLED BILL

—*Education, Health, and Environmental Affairs / Economic Matters*—

Introduced by **Senators Conway, Gladden, Jones, McFadden, ~~and Pugh~~ Pugh, and Dyson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

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.

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.

Italics indicate opposite chamber / conference committee amendments.



1 BY repealing and reenacting, with amendments,
 2 Article – Business Regulation
 3 Section 12–304
 4 Annotated Code of Maryland
 5 (2004 Replacement Volume and 2008 Supplement)

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

8 **Article – Business Regulation**

9 12–304.

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

13 (2) If the dealer transacts business in accordance with § 12–206(b) of
 14 this title, the dealer also shall submit ~~a copy of~~ **THE REQUIRED INFORMATION FROM**
 15 the records to the local law enforcement unit in accordance with subsection (b) of this
 16 section.

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

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

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

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

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

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

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

1 ~~[1.] (I) does not engage in pawn transactions; and~~
 2 ~~[2.] (II) holds a valid trader's license or dealer's license~~
 3 ~~under State law.~~

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

- 6 (1) the license number of the dealer;
 7 (2) the location of each item listed in the record; and
 8 (3) the information required under § 12-302 of this subtitle.

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

- 11 (1) shall be kept confidential;
 12 (2) is not a public record; and
 13 (3) is not subject to Title 10, Subtitle 6 of the State Government
 14 Article.

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

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

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

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

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

1 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That:

2 (a) On or before December 1, 2009, the ~~Department of State Police and~~
3 Governor's Office of Crime Control and Prevention, in consultation with the
4 Department of Labor, Licensing, and Regulation ~~jointly~~ and local law enforcement
5 units, shall report to the House Economic Matters Committee and the Senate
6 Education, Health, and Environmental Affairs Committee, in accordance with §
7 2-1246 of the State Government Article, regarding the licensing and reporting
8 requirements for the sale of secondhand items in the State.

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

10 (1) list by county the name, address, and category of each business that
11 is engaged in the sale of secondhand items;

12 ~~(2)~~ (2) evaluate any gaps in the current licensing and reporting
13 requirements for the sale of secondhand items in the State;

14 ~~(3)~~ (3) determine the estimated impact of any gaps in the current law on
15 the ability of law enforcement to recover stolen items, as well as any other
16 enforcement issues, including limitations on enforcement related to sales conducted
17 over the Internet; and

18 ~~(4)~~ (4) develop recommendations for legislation regarding the appropriate
19 scope of licensing and reporting requirements for the sale of secondhand items by all
20 participants in the secondhand industry, including electronic sales.

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

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