

# SENATE BILL 1063

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4r3199  
CF 4r3289

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By: **Senator Colburn**

Introduced and read first time: February 20, 2014

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Pawnbrokers – Required Records for Currency**

3 FOR the purpose of providing that certain provisions of law apply to certain  
4 transactions involving coins; authorizing counties and municipal corporations to  
5 regulate certain activities involving coins; requiring certain pawnbrokers to  
6 make a certain written record on a business transaction that involves currency,  
7 including coins; making certain provisions of law relating to holding and  
8 tagging of items purchased in a pawn transaction applicable to currency,  
9 including coins; and generally relating to required records for currency by  
10 pawnbrokers.

11 BY repealing and reenacting, with amendments,  
12 Article – Business Regulation  
13 Section 12–102 and 12–301  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2013 Supplement)

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

18 **Article – Business Regulation**

19 12–102.

20 (a) This title does not apply to a transaction that involves:

21 (1) merchandise acquired from an established manufacturer or dealer  
22 who holds a license under this title, other than a pawnbroker, if the dealer who  
23 acquires the merchandise keeps an invoice or other customary proof of origin for the  
24 merchandise;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) a metal acquired for use in dentistry by a dentist licensed to  
2 practice dentistry under Title 4 of the Health Occupations Article; **OR**

3 (3) [coins; or

4 (4)] the purchase of junk or scrap metal that is subject to the record  
5 keeping and reporting requirements under § 17–1011 of this article.

6 (b) If a retail jeweler has a fixed business address in the State, this title does  
7 not apply to a transaction in which the retail jeweler:

8 (1) accepts, in accordance with a posted return policy, the return of an  
9 item that the jeweler originally sold;

10 (2) accepts, in accordance with a published trade-in policy,  
11 merchandise in trade that the jeweler originally sold;

12 (3) repossesses merchandise that the jeweler originally sold, if the  
13 original buyer has defaulted;

14 (4) retains merchandise that the jeweler originally accepted for repair  
15 as a bailee for hire, if the customer who deposited the merchandise:

16 (i) defaulted; or

17 (ii) failed to reclaim the merchandise within the time agreed on  
18 with the jeweler;

19 (5) accumulates pieces of precious metals in the course of performing  
20 repairs, remountings, fabrications, or custom orders; or

21 (6) participates in a remount sale.

22 (c) Except as otherwise provided in this title, this title does not apply to a  
23 pawnbroker located in a county that regulates pawnbrokers unless the pawnbroker  
24 does business as a dealer.

25 (d) (1) A county or municipal corporation may not enact a law to regulate  
26 dealers [or coins].

27 (2) This title supersedes any existing law of a county or municipal  
28 corporation that regulates dealers [or coins].

29 12–301.

1           (a)   (1)   Each dealer shall make a written record, on a form provided by the  
2 Secretary, of each business transaction that involves the acquisition of a secondhand  
3 precious metal object when the transaction is made.

4           (2)   Each dealer shall retain the original copy of the written record  
5 required to be made under paragraph (1) of this subsection at the dealer's place of  
6 business.

7           (b)   Each pawnbroker shall make a written record, on a form provided by the  
8 Secretary, of each business transaction that involves:

9           (1)   lending money on pledge of personal property, other than a  
10 security or printed evidence of indebtedness;

11          (2)   buying personal property on condition of selling it back at a  
12 stipulated price; or

13          (3)   buying the following items for the purpose of resale:

14               (i)   binoculars;

15               (ii)  cameras;

16               **(III) CURRENCY, INCLUDING COINS;**

17               [[iii]] **(IV)**  firearms;

18               [[iv]] **(V)**  furs;

19               [[v]] **(VI)**  household appliances;

20               [[vi]] **(VII)** musical instruments;

21               [[vii]] **(VIII)** office machines or equipment;

22               [[viii]] **(IX)**  radios, televisions, videodisc machines, videocassette  
23 recorders, and stereo equipment;

24               [[ix]] **(X)**  personal computers, tapes, and disc recorders;

25               [[x]] **(XI)**  watches;

26               [[xi]] **(XII)** bicycles; and

27               [[xii]] **(XIII)** tangible personal property pledged as collateral.

1 (c) Each pawnbroker shall make a written record, on a form provided by the  
2 Secretary, of each transaction that involves the acquisition of an item described in  
3 subsection (b)(3) of this section for the purpose of resale.

4 (d) (1) A separate record entry shall be made for each item involved in a  
5 transaction.

6 (2) Items in a matching set may be recorded as a set if acquired in a  
7 single transaction.

8 (e) During the holding period required under § 12–305 of this subtitle, a  
9 dealer may place all of the items acquired in a single transaction in a secure container  
10 that has been approved by the primary law enforcement unit, if:

11 (1) each item in the transaction has a separate record entry in the  
12 written record required under this section; and

13 (2) the secure container is tagged by the dealer with the number that  
14 corresponds to the transaction under which the items were acquired and the written  
15 record listing the items obtained in the transaction.

16 (f) (1) When a dealer places items into the dealer's inventory, the dealer  
17 shall tag each item individually with a number that corresponds to the transaction  
18 under which it was acquired. However, items acquired in a matching set may be  
19 tagged as a set.

20 (2) Each item tagged by a dealer under paragraph (1) of this  
21 subsection shall remain tagged for the entire period the item is stored in the dealer's  
22 inventory.

23 (g) For the purposes of this subtitle, there is a presumption that an object is  
24 a precious metal object if:

25 (1) it reasonably appears to be a precious metal object; and

26 (2) it was received by a dealer in the course of business or is found in  
27 the place of business or storage facility of a dealer.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2014.