



BERETTA U.S.A. CORP.
STRONG OPPOSITION TO
MARYLAND HOUSE BILL 1257

The owners and employees of Beretta U.S.A. living and working in Maryland strongly oppose HB 1257 (the "Firearms Dealers' Safety Act).

HB 1257 provides, among other things, that after business hours a licensed firearm dealer must lock all firearms (presumably in its possession) in a vault, safe or shatterproof reinforced display case. What the author of this legislation may not have realized is that in order to do business selling firearms in Maryland, importers and distributors located in the State of such products must also be licensed as a Maryland firearm dealer. That means that the provisions of HB 1257 apply to Beretta U.S.A. even though that Company's location in Accokeek, Maryland is not open to the public.

Beretta U.S.A.'s Accokeek facility was used for 30 years to manufacture pistols for the U.S. Armed Forces. That facility includes security provisions still in place that were suitable for protecting military weaponry from theft. If Beretta U.S.A.'s security system is adequate for the U.S. military it should be good enough for the State of Maryland.

Notwithstanding this, HB 1257 would now require Beretta U.S.A. to buy or build additional vaults or safes and to move the hundreds of firearms it has on location (for use in law enforcement armorer training, demonstration to military and law enforcement customers, marketing evaluation, etc.) each night. If Beretta U.S.A. is now forced to move all firearms into vaults to be built or safes to be bought, the company would have to evaluate the option of simply moving its operations and approximately 50 executive and other employees to another State.

This is not the only defect in HB 1257. HB 1257 also provides that all employees of a licensed dealer must, on an annual basis, have their background checked and fingerprints taken. Beretta U.S.A. already performs background checks when first hiring an employee but by requiring this be repeated each year for its approximately 50 employees would be costly and

pointless. Is there really a likelihood that a person's fingerprints would change from year to year? On a statewide basis, how much would this cost dealers and exactly what benefit would be derived?

That absence of relationship between the cost and onerous burden of the various provisions in HB 1257 exists with respect to numerous other provisions in the Bill. For example, HB 1257 contains several provisions relating to record-keeping and reporting of stolen or missing firearms that are already required by federal law. The Bill is also vague as, for example, when it states that "A licensed dealer shall report any theft of a firearm. . .immediately [emphasis added] upon discovering the theft" without defining what is meant by "immediately". (Within one minute? Within one hour? That day? Etc.) Federal law requires such reporting within 48 hours.

Beretta U.S.A. occasionally sell firearms to their employees. Under HB 1257, the company would have to ask an employee to retrieve such a firearm, put a lock on it and then show it to the fellow employee for purchase. In other words, HB 1257 would require employees who handle and are around firearms every day to put a lock on a single firearm simply because they now want to purchase it (and then only at the moment of purchase). This makes no sense and is another example of how the requirements of HB 1257 are both burdensome and disconnected from any risk they are intended to address.

HB 1257 is also unrealistic. It requires licensed dealers to obtain at least \$2 million in liability insurance *for the acts of another* [emphasis again added] and imposes a penalty of up to 3 years in prison for failure to comply but fails itself to consider what would happen if no insurance company wanted to write a policy of that type. In fact, insurance companies might be willing to write coverage for events over which the company has control but would likely laugh at the notion of being asked by a firearm dealer to issue a \$2 million policy to cover the acts of a criminal. According to the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, for firearms recovered at crime scenes (which is only a minute percentage of all firearms ever sold), the average time between when a licensed dealer sells a firearm and that firearm is recovered by law enforcement is over 11 years. The firearm in question might have passed through numerous intervening owners in that time span but HB 1257 would still want the dealer to obtain insurance to cover misuse of the gun, misuse over which the dealer had, and could not reasonably be construed as having, control. Firearm dealers have a difficult time now getting insurance. HB 1257 would guarantee they could not and would send them to prison for their failure to comply with an impossible administrative burden.

No evidence is adduced proving why the statewide costs and burdens of HB 1257 are justified by its onerous provisions. HB 1257 is a perfect example of a solution in search of a problem.

For these and other reasons we recommend that HB 1257 be rejected.