

**DEPARTMENT OF JUSTICE
BUREAU OF FIREARMS**

**AMMUNITION
VENDOR LICENSING
REGULATION**

(Regular Rulemaking)

SUBMITTED TO OAL ON: July 03, 2017

NOTICE PUBLISHED: July 14, 2017

Regular Rulemaking: November 30, 2017

XAVIER BECERRA
Attorney General

State of California
DEPARTMENT OF JUSTICE



DIVISION OF LAW ENFORCEMENT
BUREAU OF FIREARMS
PO BOX 160487
SACRAMENTO, CA 95816

October 24, 2017

Debra M. Cornez, Director
Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento CA 95814-4339

RE: California Department of Justice's Notice of Proposed Rulemaking Package for
Ammunition Vendor Licensing

Dear Director Cornez:

The California Department of Justice, Bureau of Firearms ("Department") submits the enclosed Final Rulemaking package regarding ammunition vendor licensing.

Proposition 63, "The Safety for All Act of 2016," was passed by California voters in 2016. The act added Penal Code sections 30342 and 30385 requiring a Department issued ammunition vendor license to sell more than 500 rounds of ammunition in any 30-day period beginning January 1, 2018. The proposed regulations establish the process of obtaining an ammunition vendor license and sets the fee an ammunition vendor is authorized to charge the purchaser for processing an ammunition sale between two private parties (non-vendors).

Given the effective date of January 1, 2018, the Department requests these regulations become effective on December 31, 2017.

If you have any questions or concerns regarding the Department's Final Rulemaking, please contact Jacqueline Dosch at (916) 227-5419 or Jacqueline.dosch@doj.ca.gov.

Sincerely,


STEPHEN J. LINDLEY, Director
Bureau of Firearms

For **XAVIER BECERRA**
Attorney General

TABLE OF CONTENTS

Ammunition Vendor Licenses Regulations

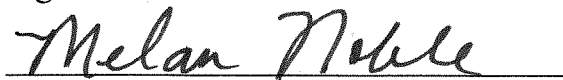
STD 400.....	Section 1
Notice of Proposed Rulemaking.....	Section 2
Text of Regulations Originally Noticed to the Public.....	Section 3
Initial Statement of Reasons.....	Section 4
Authority and Reference	
Informative Digest/Policy Statement Overview	
Statement of Mailing Notice.....	Section 5
Written Comments Submitted During 45-day Comment Period.....	Section 6
Public Hearing Transcript.....	Section 7
Final Text of Regulations.....	Section 8
Updated Informative Digest.....	Section 9
Final Statement of Reasons.....	Section 10
Economic and Fiscal Impact Statement (Form STD 399).....	Section 11
Forms Incorporated by Reference.....	Section 12

CERTIFICATION

The foregoing table of contents constitutes the Department of Justice's rulemaking file for the subject regulations. The rulemaking file as submitted is complete. The rulemaking record for the subject regulations was closed on November 30, 2017.

I declare under penalty of perjury under the laws of this state that the foregoing is true and correct.
Executed at Sacramento, California, on November 30, 2017.

Signed:



MELAN NOBLE
Regulations Coordinator

SECTION 1

STD 400

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2017-0703-01 & Z-2017-0717-02	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY Department of Justice			AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed <input type="checkbox"/> Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Ammunition Vendor Licenseing		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT 4260, 4261, 4262, 4263, 4264	
TITLE(S) 11		AMEND	
		REPEAL	
3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code § 11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code § 11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, § 11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code § 11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, § 11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100) <input type="checkbox"/> Print Only			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, § 44 and Gov. Code § 11347.1) N/A			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, § 100) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code § 11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> § 100 Changes Without Regulatory Effect <input checked="" type="checkbox"/> Effective other (Specify) December 31, 2017			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM § 6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON Jacqueline Dosch		TELEPHONE NUMBER (916) 227-5417	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional) regulations@doj.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

PRINTED NAME AND TITLE OF SIGNATORY

Sean McCluskie, Chief Deputy to the Attorney General

For use by Office of Administrative Law (OAL) only

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2017-0718-02	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
------------------	---	--------------------------	------------------

For use by Office of Administrative Law (OAL) only

RECEIVED DATE PUBLICATION DATE

JUL 18 '17

JUL 28 '17

Office of Administrative Law

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Department of Justice

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Ammunition Vendor Licensing		TITLE(S) 11	FIRST SECTION AFFECTED 4260	2. REQUESTED PUBLICATION DATE July 28, 2017
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input checked="" type="checkbox"/> Other		4. AGENCY CONTACT PERSON Jeff Amador		TELEPHONE NUMBER (916) 227-4217
				FAX NUMBER (Optional) (916) 227-1028
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
------------------------------	--

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
	REPEAL
TITLE(S)	

3. TYPE OF FILING

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) | <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. | <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) | <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) |
| <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) | | <input type="checkbox"/> File & Print | <input type="checkbox"/> Print Only |
| <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) | <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) | <input type="checkbox"/> Other (Specify) _____ | |

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) | <input type="checkbox"/> Effective on filing with Secretary of State | <input type="checkbox"/> \$100 Changes Without Regulatory Effect | <input type="checkbox"/> Effective other (Specify) _____ |
|---|--|--|--|

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

- | | | |
|--|--|---|
| <input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) | <input type="checkbox"/> Fair Political Practices Commission | <input type="checkbox"/> State Fire Marshal |
| <input type="checkbox"/> Other (Specify) _____ | | |

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
-------------------	------------------	-----------------------	---------------------------

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

TYPED NAME AND TITLE OF SIGNATORY

For use by Office of Administrative Law (OAL) only

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2017-0703-01	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
------------------	--------------------------------------	--------------------------	------------------

For use by Office of Administrative Law (OAL) only

RECEIVED DATE PUBLICATION DATE
JUL 03 '17 JUL 14 '17

Office of Administrative Law
NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Department of JusticeAGENCY FILE NUMBER (If any)
DOJ-17-007

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Ammunition Vendor Licensing		TITLE(S) 11	FIRST SECTION AFFECTED 4260	2. REQUESTED PUBLICATION DATE July 14, 2017
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Jeff Amador	TELEPHONE NUMBER (916) 227-4217	FAX NUMBER (Optional) (916) 227-1028
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
TITLE(S)		AMEND	
		REPEAL	
3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))			
<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)			
<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____			
<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
			E-MAIL ADDRESS (Optional)

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

For use by Office of Administrative Law (OAL) only

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

TYPED NAME AND TITLE OF SIGNATORY

Sean McCluskie, Chief Deputy Attorney General

SECTION 2

NOTICE OF PROPOSED RULEMAKING

NOTICE OF PROPOSED RULEMAKING

(Published July 14, 2017)

The Department of Justice (Department or DOJ) proposes to adopt the regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Department will hold a public hearing to receive public comments on the proposed regulatory action from 10:00 a.m.-12:00 noon on Monday, August 28, 2017, at the following location:

Resources Building Auditorium
1416 9th Street
Sacramento, California 95814

The auditorium is wheelchair accessible.

At the hearing, any person may present oral or written comments regarding the proposed regulatory action. The Department requests, but does not require, that persons making oral comments at the hearing also submit a written copy of their testimony.

WRITTEN COMMENT PERIOD

Any interested person or their authorized representative may submit written comments relevant to the proposed regulatory action. The written comment period closes at 5:00 p.m. on August 28, 2017. Only comments received by that time will be considered. Written comments must be submitted to:

Jeff Amador
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Email: regulations@doj.ca.gov
Fax: (916) 227-1068

AUTHORITY AND REFERENCE

Authority: Sections 30312, 30347, 30350, 30385, 30390, and 30395, Penal Code.

Reference: Sections 30300, 30305, 30306, 30312, 30314, 30342, 30345, 30347, 30348, 30350, 30352, 30355, 30357, 30360, 30362, 30363, 30365, 30385, 30390, and 30395, Penal Code; Sections 11500, 11501, 11502, 11503, 11504, 11504.5, 11506, 11507, 11507.3, 11507.5, 11507.6, 11507.7, 11508, 11509, 11511, 11511.5, 11511.7, 11512, 11513, 11514, 11515, 11516, 11517, 11518, 11518.5, 11519,

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Proposition 63, “The Safety for All Act of 2016,” was passed by California voters in 2016. The act added Penal Code sections 30342 and 30385 requiring a Department of Justice (Department) issued ammunition vendor license to sell more than 500 rounds of ammunition in any 30-day period beginning January 1, 2018. As detailed below, the proposed regulations establish the process of obtaining an ammunition vendor license and set the fee an ammunition vendor is authorized to charge the purchaser for processing an ammunition sale between two private parties (non-vendors).

Section 4260 specifies the application forms required to obtain and renew an ammunition vendor license, and also specifies that a firearms dealer who is on the Centralized List of Firearms Dealers is automatically deemed a licensed ammunition vendor pursuant to Penal Code section 30385(d) and is not required to submit an application for an ammunition vendor license.

Section 4261 establishes an annual application fee for an ammunition vendor license of \$198 per location if the vendor is not on the Centralized List of Firearm Dealers. This section also establishes the term of an ammunition vendor license starting January 1st and ending December 31st regardless of the date the initial license is issued.

Section 4262 specifies that ammunition displayed in a shopping area open to the public is not considered “accessible” provided it is in a locked container (e.g. display case, cabinet, cage).

Section 4263 authorizes ammunition vendors to charge a fee not to exceed five dollars (\$5) if the purchaser will be present for immediate delivery of the ammunition. Vendors may charge an additional storage fee, as agreed upon with the purchaser prior to the vendor receiving the ammunition, if the purchaser will not be present for immediate delivery of the ammunition.

Section 4264 authorizes the Department to suspend an ammunition vendor’s license for up to six months for a violation of the regulations and forfeit an ammunition vendor’s license for a breach of any of the prohibitions and requirements in Penal Code sections 30300 through 30365. All hearings related to a suspension or forfeiture shall be conducted in accordance with Government Code section 1500 et. seq.

Anticipated Benefits of the Proposed Regulations

“The Safety for All Act of 2016” is intended to increase public safety by various means, including regulating the sale of ammunition to prevent it from being acquired by convicted felons, the dangerously mentally ill, and other persons who are prohibited from possessing firearms and ammunition. The proposed regulations will enable California ammunition vendors to comply with statutorily mandated licensing requirements for the sale of ammunition beginning January 1, 2018. A future rulemaking will establish regulations to implement provisions of proposition 63 that require a background check on ammunition purchasers beginning July 1, 2019.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

Pursuant to Government Code section 11346.5(a)(3)(D), the Department must evaluate whether the proposed regulations are inconsistent or incompatible with existing state regulations. The Department has reviewed existing regulations pertaining to firearms and ammunition within California Code of Regulations (CCR) Title 11, Division 5 and determined the proposed regulations are not inconsistent or incompatible. This determination is based on the fact that there are no existing regulations that address the specific subject matter of the proposed regulations.

Duplication of State Statute as Necessary to Satisfy Government Code Section 11349.1(a)(3)

Section 4260(a) of the proposed regulations duplicates and cites as authority California Penal Code section 30395 which requires applicants to submit the appropriate fee and a copy of (1) any regulatory or business license required by local government, (2) a valid seller's permit issued by the State Board of Equalization, (3) their Federal Firearms License if the applicant is federally licensed, and (4) their Certificate of Eligibility. Additionally, section 4260(c) of the proposed regulations and Penal Code section 30385(d) state that a licensed firearms dealer shall automatically be deemed a licensed ammunition vendor. The duplication provides clarity as necessary for the regulations to satisfy the requirements of Government Code section 11349.1(a)(3).

Comparable Federal Regulations

The proposed action does not differ substantially from an existing comparable federal regulation or statute.

FORMS INCORPORATED BY REFERENCE

Application for Ammunition Vendor License (Non-Firearms Dealer) BOF 1021 (Rev. 07/2017)
Ammunition Vendor License Renewal Fee Transmittal BOF/CAV-0012 (Rev. 07/2017)

DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: The Department estimates its costs (state agency) to administer the Ammunition Vendor Licensing program will be \$131,007 over the three year period from 7/1/2017 through 6/30/2020. The Department will recover its costs from an annual licensing fee of \$198 assessed to an estimated 220 ammunition vendors who are not on the Centralized List of Firearms Dealers.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative person or business: Ammunition vendors who are not on the Centralized List of Firearms Dealers will be subject to an annual licensing fee of \$198.

Significant statewide adverse economic impact directly affecting businesses and individuals: None. Although the proposed action *will* directly affect businesses statewide, including some small businesses, the Department concludes the adverse economic impact, including the ability of California businesses to compete with businesses in other states, *will not* be significant.

Business report requirement: None.

Significant effect on housing costs: None.

Other matters prescribed by statute applicable to the agency or to any specific regulation or class of regulations: None.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The Department concludes it is unlikely the proposed regulations will affect (1) the creation or elimination of jobs within the state, (2) the creation of new businesses or the elimination of existing businesses within the state, or (3) the expansion of businesses currently doing business within the state.

Benefits of the Proposed Regulations: The proposed regulations will increase public safety by establishing a process through which the Department will issue ammunition vendor licenses as statutorily required pursuant to Penal Code sections 30342 and 30385. The proposed regulations will also provide clarification regarding the term “accessible” as referenced in Penal Code section 30350.

Small Business Determination: The Department has determined the proposed regulations will affect small business.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered, or that has otherwise been identified and brought to the attention of the Department, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any person interested in presenting statements or arguments with respect to alternatives to the proposed regulations may do so at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Jeff Amador
Department of Justice
Bureau of Firearms
P.O. Box 160487
Sacramento, CA 95816-0487
Email: regulations@doj.ca.gov
Telephone: (916) 227-4217

The back up contact person for these inquiries is:

Jacqueline Dosch
Department of Justice
Bureau of Firearms
P.O. Box 160487
Sacramento, CA 95816-0487
Email: regulations@doj.ca.gov
Telephone: (916) 227-5419

AVAILABILITY OF RULEMAKING FILE INCLUDING THE INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process. The text of the proposed regulations (the “express terms”), the initial statement of reasons, and the information upon which the proposed rulemaking is based are available on the DOJ website at <http://oag.ca.gov/firearms>. Copies may also be obtained by contacting Jeff Amador.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, DOJ may adopt the proposed regulations substantially as described in this notice. If DOJ makes modifications which are sufficiently related to the originally proposed text, DOJ will make the modified text (with the changes clearly indicated) available to the public for at least 15 days and accept written comments before DOJ adopts the regulations. Copies of any modified text will be available on the DOJ website at <http://oag.ca.gov/firearms>. A written copy of any modified text may be obtained by contacting Jeff Amador.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon completion, the Final Statement of Reasons will be available on the DOJ website at <http://oag.ca.gov/firearms>. You may also obtain a written copy of the Final Statement of Reasons by contacting Jeff Amador.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout format, as well as the Final Statement of Reasons once completed, can be accessed through the DOJ website at <http://oag.ca.gov/firearms>.

CALIFORNIA DEPARTMENT OF JUSTICE

NOTICE OF RESCHEDULED PUBLIC HEARING AND EXTENSION OF WRITTEN COMMENT PERIOD

Notice is hereby given that the Department of Justice (Department) has rescheduled the public hearing regarding ammunition vendor licensing from the originally noticed date and time of August 28, 2017 at 10:00 a.m.

Oral comments on the proposed action will be taken at a public hearing from 10:00 a.m.-12:00 noon on September 12, 2017, at the following location:

Resources Building Auditorium
1416 9th Street
Sacramento, California 95814

The auditorium is wheelchair accessible.

At the hearing, any person may present oral or written comments regarding the proposed regulatory action. The Department requests, but does not require, that persons making oral comments at the hearing also submit a written copy of their testimony.

Please direct inquiries concerning the hearing to:

Jeff Amador
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Email: regulations@doj.ca.gov
Fax: (916) 227-1068

Any interested person or their authorized representative may submit written comments relevant to the proposed regulatory action. The written comment period has been extended and will now close at 5:00 p.m. on September 12, 2017. Only comments received by that time will be considered.

SECTION 3

TEXT OF REGULATIONS ORIGINALLY NOTICED TO THE PUBLIC

California Code of Regulations

Title 11, Division 5

Chapter 10. Ammunition

§ 4260. Ammunition Vendor License Applications

(a) Applicants for an initial ammunition vendor license must complete and submit Department of Justice form BOF 1021 (Rev. 07/2017), which is hereby incorporated by reference. The application must be submitted with the fee specified in section 4261 and a copy of the following:

- (1) Any regulatory or business license required by local government.
- (2) Valid seller's permit issued by the State Board of Equalization.
- (3) Federal Firearms License if the applicant is federally licensed.
- (4) Certificate of Eligibility.

(b) Applicants for renewal of an ammunition vendor license must complete and submit Department of Justice form BOF/CAV-0012 (Rev. 07/2017), which is hereby incorporated by reference, with the fee specified in section 4261.

(c) A firearms dealer licensed pursuant to Penal Code sections 26700 to 26915 is automatically deemed a licensed ammunition vendor pursuant to Penal Code section 30385(d) and is not required to submit an application for an ammunition vendor license.

Note: Authority cited: Sections 30385 and 30395, Penal Code. Reference: Sections 26700, 30385, and 30395, Penal Code.

§ 4261. Ammunition Vendor License Application Fee and Term Length

(a) The annual application fee for an ammunition vendor license (initial and renewal) is \$198 per location if the vendor is not on the Centralized List of Firearm Dealers.

(b) The term of an ammunition vendor license is from January 1 through December 31, regardless of the date the initial license is issued.

(c) Ammunition vendors must submit to the Department of Justice, a copy of renewals of the licenses specified in section 4260, within 30 days of the license's expiration. Failure to do so will invalidate the ammunition vendor license until a copy of the renewed license is received by the Department of Justice.

(d) Ammunition vendor licenses will be automatically renewed for vendors who maintain active status on the Centralized List of Firearms Dealers.

Note: Authority cited: Sections 30385, 30390, and 30395, Penal Code. Reference: Sections 30385, 30390, and 30395, Penal Code.

§ 4262. Display of Ammunition

Pursuant to Penal Code section 30350, ammunition shall not be displayed for sale or transfer in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor. Ammunition displayed in a shopping area open to the public is not considered "accessible" provided it is in a locked container (e.g. display case, cabinet, cage).

Note: Authority cited: Sections 30347 and 30350, Penal Code. Reference: Sections 30347 and 30350, Penal Code.

§ 4263. Vendor Fee for Processing a Private Party (non-vendor) Ammunition Sale

In addition to any applicable Department of Justice fee, an ammunition vendor may charge the purchaser a fee(s) for processing the sale of ammunition between two private parties as follows:

- (a) If the purchaser will be present for immediate delivery of the ammunition, the fee shall not exceed five dollars (\$5).
- (b) If the purchaser will not be present for immediate delivery of the ammunition, the vendor may charge an additional storage fee as agreed upon with the purchaser prior to the vendor receiving the ammunition.

Note: Authority cited: Section 30312, Penal Code. Reference: Section 30312, Penal Code.

§ 4264. Suspension and Forfeiture of Ammunition Vendor's License

- (a) An ammunition vendor's license may be suspended for a period of up to six months for a violation of these regulations.
- (b) An ammunition vendor's license may be forfeited for a breach of any of the prohibitions and requirements in Penal Code sections 30300 through 30365.
- (c) All hearings related to a suspension or forfeiture shall be conducted in accordance with Government Code section 11500 et. seq.
- (d) An ammunition vendor whose license is forfeited may not re-apply for a license earlier than one year from the effective date of the forfeiture.

Note: Authority cited: Section 30395, Penal Code. Reference: Sections 30300, 30305, 30306, 30312, 30314, 30342, 30345, 30347, 30348, 30350, 30352, 30355, 30357, 30360, 30362, 30363, 30365, and 30395, Penal Code; Sections 11500, 11501, 11502, 11503, 11504, 11504.5, 11506, 11507, 11507.3, 11507.5, 11507.6, 11507.7, 11508, 11509, 11511, 11511.5, 11511.7, 11512, 11513, 11514, 11515, 11516, 11517, 11518, 11518.5, 11519, 11519.1, 11520, 11521, 11522, 11523, 11524, 11526, 11527, 11528 and 11529, Government Code.

SECTION 4

INITIAL STATEMENT OF REASONS INCLUDING AUTHORITY AND REFERENCE AND INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

California Penal Code sections 30300 through 30395 regulate the sale of ammunition in California. Penal Code section 30385 requires the Department of Justice (Department) to issue ammunition vendor licenses. Additionally, Penal Code section 30312(a)(2) requires the Department to set the fee an ammunition vendor may charge to process the transfer of ammunition between two private parties, neither of whom is a licensed ammunition vendor. Pursuant to Penal Code section 30385(b), the Department is expressly authorized to adopt regulations to administer the application and enforcement provisions related to ammunition vendor licensing.

BENEFITS

Proposition 63, "The Safety for All Act of 2016," was passed by California voters. As suggested by the title, the intent of the act is to increase public safety by various means, including regulating the sale of ammunition to prevent its acquisition by convicted felons, the dangerously mentally ill, and other persons who are prohibited from possessing firearms and ammunition. The proposed regulations will enable ammunition vendors in California to comply with statutorily mandated licensing requirements for the sale of ammunition beginning January 1, 2018. A future rulemaking will establish regulations to implement provisions of proposition 63 that require a background check on ammunition purchasers beginning July 1, 2019.

PURPOSE AND NECESSITY

§ 4260. Ammunition Vendor License Applications

Subdivision (a) requires applicants for an ammunition vendor license to complete and submit form BOF 1021 (Rev. 07/2017), which is incorporated by reference. For clarity, this subdivision notifies applicants that they must also submit the appropriate fee and a copy of (1) any regulatory or business license required by local government, (2) a valid seller's permit issued by the State Board of Equalization, (3) their Federal Firearms License if the applicant is federally licensed, and (4) their Certificate of Eligibility. The BOF 1021 application requires information regarding the business such as the name, type of ownership (e.g. sole proprietor, limited partnership, corporate ownership), telephone number, mailing address, business address (if different), e-mail address, and hours of operation in order for the Department to identify and communicate with the ammunition vendor. The name and copy of the Certificate of Eligibility of each employee who handles, sells, delivers, or will have under his or her custody or control any ammunition, is also required to confirm compliance with Penal Code section 30347(a).

Subdivision (b) requires applicants for renewal of an ammunition vendor license to complete and submit form BOF/CAV-0012 (Rev. 07/2017), which is incorporated by reference, along with the appropriate fee. The BOF/CAV-0012 requires the applicant to indicate any changes to the information previously provided on the application for an initial ammunition vendor license.

Subdivision (c) states a firearms dealer licensed pursuant to Penal Code sections 26700 to 26915, is automatically deemed a licensed ammunition vendor and is not required to submit an

application for an ammunition vendor license. This provision is a duplication of Penal Code section 30385(d) and is included in the regulations for clarity.

§ 4261. Ammunition Vendor License Application Fee and Term Length

Subdivision (a) establishes an annual application fee for an ammunition vendor license of \$198 per location if the vendor is not on the Centralized List of Firearm Dealers. This regulation is necessary for the Department to recover its costs for administering the ammunition vendor license program as required pursuant to Penal Code section 30390. The fee was determined by dividing the \$43,668 annual cost of a part time (.5 PY) Staff Services Analyst by the estimated 225 ammunition vendors subject to the annual fee.

Subdivision (b) specifies that the term of an ammunition vendor license is from January 1 through December 31, regardless of the date the initial license is issued. This will allow ammunition vendors who are also licensed firearm dealers (90% or more of licensed ammunition vendors) to have the same renewal date for their ammunition vendor license and their placement on the Centralized List of Firearms Dealers.

Subdivision (c) requires ammunition vendors to submit to the Department of Justice, a copy of renewals of the licenses specified in section 4260, within 30 days of the license's expiration. Failure to do so will invalidate the ammunition vendor license until a copy of the renewed license is received by the Department of Justice. This regulation is necessary to ensure ammunition vendor compliance with Penal Code section 30395.

Subdivision (d) states ammunition vendor licenses will be renewed automatically for vendors who maintain active status on the Centralized List of Firearms Dealers. This provision is consistent with Penal Code section 30385(d) which states that a licensed firearms dealer, established by their presence on the Centralized List of Firearms Dealers, "shall automatically be deemed a licensed ammunition vendor." Licensed firearms dealers are required to annually renew their placement on the Centralized List of Firearms Dealers.

§ 4262. Display and Storage of Ammunition

This regulation is necessary to provide clarification regarding the term "accessible" as used in Penal Code section 30350, which states an ammunition vendor shall not display ammunition for sale or transfer "in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor." The regulation specifies that ammunition displayed in a shopping area open to the public is not considered "accessible" provided it is in a locked container (e.g. display case, cabinet, cage).

§ 4263. Vendor Fee for Processing a Private Party (non-vendors) Ammunition Sale

This regulation is necessary to comply with Penal Code section 30312, which requires the Department to set the fee an ammunition vendor may charge the purchaser for processing an ammunition sale between two private parties (non-vendors).

Subdivision (a) authorizes ammunition vendors to charge a fee not exceed five dollars (\$5) if the purchaser will be present for immediate delivery of the ammunition. Subdivision (b) authorizes ammunition vendors to charge an additional storage fee, as agreed upon with the purchaser prior

to the vendor receiving the ammunition, if the purchaser will not be present for immediate delivery of the ammunition.

§ 4264. Suspension and Forfeiture of Ammunition Vendor License

This regulation is necessary to enforce compliance requirements as authorized pursuant to Penal Code section 30395.

Subdivision (a) establishes the Department's authority to suspend an ammunition vendor's license for up to six months for a violation of the regulations.

Subdivision (b) establishes the Department's authority to forfeit an ammunition vendor's license for a breach of any of the prohibitions and requirements in Penal Code sections 30300 through 30365.

Subdivision (c) specifies all hearings related to a suspension or forfeiture shall be conducted in accordance with Government Code section 1500 et. seq.

Subdivision (d) authorizes an ammunition vendor to re-apply for a license no earlier than one year from the effective date of forfeiture.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORT OR DOCUMENTS

The Department did not rely upon any technical, theoretical, or empirical studies, reports, or documents in proposing the adoption of the regulations in this rulemaking.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The proposed regulations establish a \$198 annual licensing fee for ammunition vendors who are not also licensed firearms dealers. This cost is insignificant relative to the overall costs of operating a retail business. Currently, the Department is aware of only one vendor (Walmart) that sells ammunition without also being licensed to sell firearms. Walmart has informed the Department they anticipate obtaining ammunition vendor licenses for approximately 180 locations throughout the state. A \$198 annual licensing fee for each location is insignificant relative to Walmart's revenue from ammunition sales.

There could be a minimal number of small businesses (e.g. hardware stores, bait and tackle shops) that sell ammunition but are not licensed as a firearms dealer. If ammunition sales make up a small percentage of a business's total revenue, the owner might decide to discontinue selling ammunition rather than incur the \$198 annual fee for a vendor's license. However, there is no evidence to suggest the proposed regulations would result in the closing of such businesses.

The Department concludes it is unlikely the proposed regulations will affect (1) the creation or elimination of jobs within California, (2) the creation of new businesses or the elimination of existing businesses within California, (3) the expansion of businesses currently doing business within California.

Public Benefit of the Proposed Regulations: The proposed regulations will increase public safety throughout California by preventing the unlawful acquisition of ammunition by convicted felons, the dangerously mentally ill, and other persons who are prohibited from possessing firearms and ammunition.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Department has determined that the proposed regulations will not have a significant, statewide, adverse economic impact affecting business for the reasons explained in the preceding section. Furthermore, to the extent there is any economic impact, it is the result of the applicable statute (Penal Code section 30390) which requires the Department to recover its costs through an annual fee assessed to ammunition vendors who are not also licensed firearms dealers.

REASONABLE ALTERNATIVES TO THE REGULATIONS AND THE DEPARTMENT'S REASONS FOR REJECTING THOSE ALTERNATIVES

No reasonable alternatives to the regulations were presented to, or considered by the Department, that would be either more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome.

SECTION 5

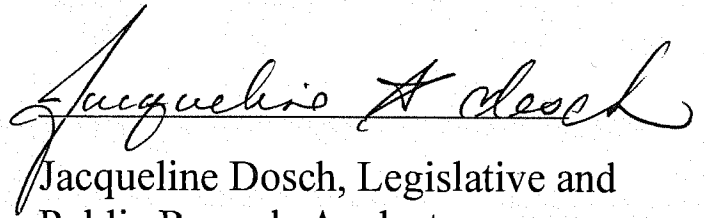
STATEMENT OF MAILING NOTICE

STATEMENT OF MAILING NOTICE

(Section 86 of Title 1 of the California Code of Regulations)

The Department of Justice has complied with the provisions of Government Code Section 11346.4, subdivision (a)(1) through (4), regarding the mailing of the notice of proposed regulatory action. The notice was mailed on July 19, 2017, over 45 days prior to the close of the public comment period and the public hearing, which was held on September 12, 2017.

Dated: 7-19-17


Jacqueline Dosch, Legislative and
Public Records Analyst

SECTION 6

WRITTEN COMMENTS SUBMITTED DURING 45-DAY COMMENT PERIOD

Individual Written Comments Omitted for Privacy

See Section 10 Attachment A

SECTION 7

PUBLIC HEARING TRANSCRIPT

Public Hearing Transcript

Ammunition Vendor Licensing Regulations (9/12/2017)

Tony La Dell: Hello everyone. Let's go ahead and get started. If you gentlemen would have a seat. We're going to go ahead and get started. Can you hear me back there?

Audience: Very lightly.

Tony La Dell: Okay we don't have an intercom system so I'm going to try to talk up. Uh, if maybe we can get the people in the back to kinda move up forward you'd have a little better chance of hearing me. Okay. Good Morning. The CA Department of Justice welcomes you to today's hearing on proposed regulations regarding Ammunition Vendor Licensing. I'm Tony La Dell of the Bureau of Firearms and I will be the hearing officer during today's proceeding. I will be assisted by Jacqueline Dosch who is seated to my left. For the record, it is Tuesday, September 12, 2017, and the time is 10:06 a.m. Today's hearing is being videotaped for the official record.

This is a quasi-legislative hearing in which the Department is carrying out a mandated rulemaking function as authorized by the Legislature. Pursuant to the Administrative Procedure Act, the specific purpose of this hearing is to receive public comment pertaining to proposed regulations. Therefore, we ask speakers to limit the scope of their comments to the proposed regulations. During today's hearing, the Department does not intend to answer questions or otherwise engage in dialogue for the record in response to any of your oral comments. Prior to adoption of the proposed regulations, the Department will consider all relevant comments and recommendations presented orally, or in writing. A summary of each relevant comment or recommendation, and the Department's response will be included in the Final Statement of Reasons submitted by the Office of Administrative Law. A copy of the Final Statement of Reasons and notification of any changes made to the proposed regulations will be posted on the Bureau of Firearms website.

If you would like to provide public comment, please complete a blue speaker form available at the back table, that's when you came in, with the CHP officers, and give it to one of the DOJ representatives. You can give it to Jacqueline or you can give it to the CHP officers in the back. Speakers will be called in order the speaker forms are received and while one person is speaking we will have the next speaker waiting. Oral comments will be limited to five minutes. To assist speakers, Jacqueline will hold up this green sheet (Jacqueline held up green page stating "30 seconds remaining") after four and one half minutes to alert the speaker that he or she has 30 seconds remaining. When it is your turn to speak, please begin by stating your name and identifying the organization you represent, if any.

Jacqueline Dosch: Mike Walsh

Mike Walsh: Does this work? Can you hear me?

Tony La Dell: We can hear you.

Mike Walsh: Panel, my name is Mike Walsh. I represent Miwall Corporation. We are a manufacturer, distributor, and retail business. We are located in Grass Valley, California, and I guess the first thing that is going to affect us is the vendor's license. Now, you guys sent out a memo that if

you are on the Centralized List, you already are qualified. Are we going to receive an actual vendor license? Or, something that needs to be posted? And then there are several other issues. We sent you a letter on the headline of Miwall Corporation that has several items in it that we need addressed just as soon as possible. We realize this thing is massive. There's got to be a million questions for you folks out there. But we would like a little more definite explanations of some of the rules and regulations that you guys are going to have over our business. It affects 45 of my employees. And, if I'm reading this correctly, its going to have half of our business, half of our employees, will be no longer working. So, the clarification is really really important to myself, my staff, my office, and I thank you very much.

Tony La Dell: Alright, thank you sir.

Jacqueline Dosch: Jon Walsh

Jon Walsh: Morning gentlemen, my names Jonathan Walsh, uh that's my father Mike. I work for the company as well. Uh, we have a warehouse that's probably approximately 40,000 square feet and I work with a group of guys that just needed to know exactly at what point are we liable? Or, you know, we are not open to the general public, but people do walk in there, uh, at our warehouse does that mean things have to start being restricted, more locked down? On that end of it, you know, its away from the public, but what guidelines will there be for managing the inventory, accepting stuff as it comes in and out, um, how much tighter do we have to be on that end. And just know, uh, you know if employees have to be screened and watched, er, just want to make sure that, no matter what happens, we understand and we can know how to address the situation. Uh, it's a big facility, uh, there's a lot of people that do come through there. We have, uh, other companies that come in and just at what level do we need to monitor things at that point. Uh, and that's about it. We just want to make sure, you know, we fall within the guidelines and we do everything appropriately that we need to do. So, thank you very much.

Tony La Dell: Thank you sir.

Jacqueline Dosch: Kathy Lynch

Kathy Lynch: Good morning, uh, Kathy Lynch. This morning I'm going to be representing the National Shooting Sports Foundation which is the firearms industry ammunition manufacturers as well as Crossroads of the West gun shows, who hold many shows here in California. Well, I filed letters on their behalf on September 7th, you should have two letters to that date. Please advise me if you do not. Um, I think some of the issues that are going to come up repeatedly today is the distinction between a wholesaler, um, and a retailer and to the general public, or not to the general public. Um, some, I know Mr. Walsh just spoke. You know, some of these folks sell primarily to law enforcement, and sometimes they do a little bit to the general public, so I think there's some bifurcating that needs to be discussed here. Um, another huge issue um just putting on the business side of this, um, because this really is about business, um, is the excessive fee that you have. Uh, certainly referenced it in our letter, but the fee seems very excessive especially for a small retailer of which many, um, of the firearms folks are. Um, and this will make the difference between whether they can afford to stay in business or not. In terms of gun shows, um, I think that we all know that a lot of the, um, folks that come to sell there are occasional and we did work with the Department of Justice, many years ago to put, um, pretty good gun show laws on the books and we want to make sure, um, that we, while we maintain that we don't, um, you know cause a detrimental impact to people participating in that activity. I think we're clear on the retailers that appear at gun shows. So we ask you to take a close look at our letters, um, give us some input, we highly advise, one of the things we struggle with the Department of Justice on, quite regularly, and I think this one begs for it,

is to put out, um, a FAQ to the general public before you go in to really the formal rulemaking. There are many things that are raised here that are hard to get answers from DOJ on that, to me, are really background clarifying issues that, if resolved, then can, um, help us better dial in on the issues in the actual regulations. Um, and there's a lot of businesses that are just at risk of closing down, um, eh, so the sooner the better that we can get that and we're happy to sit down with the Department of Justice and meet on this, though. Thank you very much.

Tony La Dell: Thank you ma'am.

Jacqueline Dosch: Dan Reed

Dan Reed: Good morning, for the record, Dan Reed with National Rifle Association. We submitted a letter in conjunction with the California Rifle and Pistol Association that was prepared by our attorneys, Michelle & Associates, and I am just going to hit a few highlights. The letter goes into great detail – the problems, issues, and clarifications that we do think need to be resolved in these ammo vendor regulations. First and foremost, the duration of the license... Currently, the regs state that the license is good from January to December, which is contrary to what is in law from Proposition 63, which says the duration is for 1 year. Um, under the regs someone could get a license anytime after January and it would not meet the full 1 year duration that is prescribed in law. It could be only valid for 6 months, 4 months, 7 months, etc. Um, we'd like to see some clarification on proposed section 4261(c), um, that is dealing with renewals and there might be some terminology that could be switched around as far as when DOJ receives versus issues, so that is outlined in our letter. Um, in proposed section 4262, regarding ammunition displays, um, we'd like to see some clarification in regards to access. Um, does ammunition stored behind the counter... is that accessible to the public? Does it need to be locked up? Does it need to be in a storage room? Etc. So some clarification on that regulation so our retailers out there and ammo vendors are not running afoul of the regs and the laws. Um, in proposed section 4263, in regards to ammunition shipments for customers, the immediate delivery is fairly clear. They cannot charge more than 5 dollars. However, um, in the other situation where there is not immediate delivery of the ammunition, it talks about an agreement for cost for storage, etc. And we think there needs to be some clarification, um, of what happens when there isn't an agreement reached ahead of time. Can an ammunition vendor refuse that shipment? How does that get sorted out? So we'd like to see some clarification in proposed section 4263. Um, in the applications for the vendor license, that's form BOF 1021, um, it appears that the cart is before the horse on this one. Where an ammunition vendor is going to be applying and they need to list out all their employees, um, that doesn't seem to be required. It's outlined extensively in our letter. Um, where an employee should be able to come on afterwards and it shouldn't be contingent on having your employees on that on that form. Um, and lastly, on uh the license renewal form that is BOF/CAV 0012. That form looks woefully incomplete. There's a lot of um... A lot that needs to be clarified and outlined further. Uh, the instructions look a little bit incomplete, as to what lines it is referencing when you're going through and making changes, etc. And again that is outlined extensively in our letter. Thank you. We look forward to your comments and responses on this.

Tony La Dell: Alright. Thank you, sir.

Jacqueline Dosch: Craig DeLuz

Craig DeLuz: Thank you. Craig DeLuz here on behalf of the California Association of Federal Firearms Licensees, as well as the Firearms Policy Coalition. My colleagues pretty much stated most of the concerns that we have. One that we wanted to make sure and re-enumerate though had to do with what seems to be an excessive cost for the cost of the permitting process. In particular, for the

renewals. And for those who have multiple locations. We just find that cost to be excessive. And it would be greatly appreciated if we could know how that particular amount was arrived upon and what costs are being met, uh, uh, with those fees. Thank you.

Tony La Dell: Alright. Thank you, sir.

Jacqueline Dosch: Jerry Haverrampt

Jerry Haverrampt: Good morning. Uh, I am Vice President of the Auburn Trapshooting Club up in Auburn, California. Um, we are a private club. We are open to the public, um, at the discretion of the board, as long as you know they haven't, uh, haven't been drinking or anything – We will let them shoot as a guest of the club. Um, along with that, we also maintain our club to provide shooting facilities for the, uh, CYSSA, that is all the high school kids and junior high school kids that are in shooting sports. Our question is, um, is there an exemption in the law regarding, you know, ammunition sales if it is going to be limited to a – and we don't know if there is – um, if it's limited to so many rounds per month that an individual can buy. We would like to see an exemption in the law, while they are at the shooting range to be able continue because some of these kids shoot 100 rounds per day when they practice. They usually practice one to two days a week. And then they shoot on the weekends. Um, if it's laws limited to a very small amount of ammunition at the range, that is going to put us out of business. A lot of ranges up and down the state, um, will be impacted by this and put a lot of ranges out of business which we offer free lessons. We are all NRA instructors. We give free safety lessons... Gun safety. You know, um, everything to do with the sport. It doesn't only... The gun safety doesn't only, uh or, go for just shotguns. It's you know... goes along with... coincides with a lot of other gun rifles and stuff like that. The safety is pretty much all the same. But we would just like to make sure we are following the law. Um, and like I say, the CYSSA and other, um, groups, shooting groups out there, that come and use our facility, um, this involves probably tens of – at least you know thousands of kids. It could be up to 10,000 statewide or more, along with all the other shooting people. So, you know, if its not provided that the gun range can, that they can shoot what they can that day and purchase it from us, it's gonna put a lot of... You know, were non-profit up there. But, uh, we're all volunteers. But it'll shut down our club. A lot of these other clubs throughout the state are for-profit, like Cune Creek and other, and uh, that'll just kill all the shooting ranges in the state if you're limited to your purchased ammunition. We would also would like to know what we gotta do to become a vendor. Um, the application that is on the website. I went to it and, uh, downloaded it. It doesn't uh... It's... They say not to fill that out because it hasn't been approved yet, so we need to get this going so we can stay in business and follow the law, you know, as soon as we could. And uh, think that's about all I have right now, so thank you very much.

Tony La Dell: Thank you, sir.

Jacqueline Dosch: Gerald Upholt.

Gerald Upholt: Morning. I am Gerald Upholt. I am here with Kathy Lynch, Lynch & Associates, to address the concerns of some of the clients that she didn't mention. One is, uh, Dooley Enterprises, who is the largest supplier of Winchester ammunition in the entire United States. They have been selling primarily to law enforcement for over 34 years now. They also sell to other local government agencies. They sell to school district law enforcement agencies, security guard corporations, individual sworn peace officers, individual certificated security guards, and many other people who are not in the general public. If you look at the entire body of law relating to ammunition vendors, it's pretty clear that the focus is on those who sell to the individual member of the public. There's plenty of exemptions for, uh, other kinds of, uh, suppliers of ammunition. However, in Prop 63,

newly added section 30342 is not clear on the distinction between those who sell to the public at large and those who sell to agencies and corporations and others who use it in the course and scope of their business. The, uh, the, I think that's a problem with, uh, the initiative process because one group writes it and they go out and get the signatures. I'm sure that the backers of Prop 63 did not think about wholesalers and retailers who sell to, uh, groups that don't comprise the general public. So there is a lot of confusion out there as to what does the law mean. And this is exactly the kind of thing regulatory agencies clarify by regulations. So our clients would like to see clarity provided in the regulations you are considering that distinguishes between those who sell to the public at large and those who don't, who sell to law enforcement and so on. Now, uh, there's a number of distinctions to various categories of buyers that nobody appears to have taken into consideration. That is most of your law enforcement is exempt from the federal excise tax. And the rules and regulations around that exemption are pretty strict. And that's a felony to violate them. So Dooley Enterprises, uh, makes very sure that their customers who are exempt understand what the federal excise tax exemption means. Many of their other customers are exempt from, uh, state sales tax. Some customers are exempt from neither, like security guard corporations, but again they only use ammunition in the normal course and scope of their duties, so they are distinct from the general public. And we are urging that the Department of Justice clarify in the regulations exactly who it is that has to do the record keeping and reporting to DOJ. I'm sure DOJ doesn't want to know about every transaction sold to a law enforcement agency. And, you know, so, there were letters submitted yesterday by Dooley Enterprises and Miwall as well submitted a letter yesterday, which has, uh, several questions. Actually a lengthy list of questions in that letter... all of which are problematic for people that are not selling to the public at large and for which answers are needed so hopefully DOJ will respond to all of those. There are some sportsman clients, Safari Club International, California Sportsman Lobby, Outdoor Sportsman Coalition, who are also concerned about this because when they go hunting often times they buy ammunition out in the country from say a little general store that doesn't sell much ammunition but they have it there for people who need it. Well, the problem is, uh, two things. One is the size of the license fee for those people. And the other is the fact on the initial year the renewal date is the end of the year, instead of a year out. So we would like to see that fee prorated either from the date of purchase of the vendor license to the end of the year or see that it is renewed annually so you'd have staggered renewal funds coming in throughout the year. The, uh, sportsman are very concerned that their ammo supply is going to dry up. For example, the limit of 500 rounds, uh, per month. Well, 22 rem fire ammo and most pistol ammo is sold in 50 round boxes. So you're talking 10 rounds of 22 shells a month. Or 10 rounds of pistol shells in the aggregate per month. It's not very much. But it can trigger this. And if it's not much of their, uh, overall revenue stream, they're gonna – the smaller stores – are gonna discontinue the sell of ammunition. So we're hopeful that you'll take all of these comments into consideration. And all these letters as well. They were all posted yesterday. You have them. And uh, that the regulations be revised from the form in which they were published to recognize the distinction between those who sell to the public at large and those who sell to other law enforcement and other kinds of customers. Thank you.

Tony La Dell: Alright. Thank you, sir.

Jacqueline Dosch: Sam Paredes

Sam Paredes: Good morning. I am Sam Paredes. Executive Director of Gun Owners of California. And we would like to make a couple of comments here. Especially with regards to the, um, the, uh, the statement of economic impact from which the Department used to draft a lot of the regulations. It's pretty clear that the Department has very little idea about how ammunition is sold throughout the state. Uh, from different types of dealers, if they, uh, had any interest in really understanding that, they would have gone and understood that at different times of the year, many dealers, most of which are very small dealers, have ammunition in pallets in their stores and they have them in pallets

because they don't have the ability to store that kind of ammo in other portions of the secured portion of, uh, their business. Therefore, they are going to be limited as to how much ammunition they are going to be purchasing in order to provide those resources to the purchasers who are gonna wanna comply with the law do all of the, uh, all they need to do to legally acquire ammunition. And and and, this is very impactful, because if the amount of ammunition that is going to be sold in the state of California is gonna be reduced. And we, in speaking with many dealers, say we are not going to be able to sell as much ammunition. We are not going to be able to store as much ammunition, as we historically do to sell them. We're not gonna sell as much ammunition. That means that the Department is not gonna get the resources that it is anticipating based on ammunition sales records. Well, the cost of developing the infrastructure within the Department is gonna be pretty much the same whether it is, uh, a couple million rounds that are sold in the state, or 10 or 20 or a hundred million rounds that are sold in the state. Therefore, we believe that the actual costs of administrating the program, which the law provides you with the ability to raise the cost in order to cover the actual expenses is gonna be significantly higher. Now, this is a seasonal thing, uh, of the 6,000 or so FFL dealers in the state of California, only about between 2 and 3,000 are actually storefronts. And the vast majority of them are smaller mom and pop operations. They're gonna be significantly impacted by this because they do not have the ability to store the ammunition in the fashion that is being required by these regulations. That is of incredible importance. Therefore, the cost of ammunition is going to go up because they don't have the ability to have the supply up. And the actual number of rounds is going to go down. And you folks are gonna see a lot less revenue coming into the Department because of these impacts. And, and, this statement of, uh, the assumptions that you have made on the Statement of Economic Impact, where it says that the Department doesn't anticipate that there is any economic impact is grossly wrong. Just, just on the face of it. All you have to do is go to the gun stores and see and talk to them to see what their historical experiences in selling ammunition on an annual basis and their cycle of business. And you will find that the assumptions that there will be no economic impact are grossly misleading and will lead to higher costs and you will raise your rates, and that is of great concern to us. Thank you.

Tony La Dell: Alright. Thank you, sir. It is now 10:32. At this time, we have, uh, were gonna go ahead and stop the recording, uh, due to the fact that we have no persons present to make any further public comment. We will continue the recording if we have any individuals that show up in the next few minutes. You can go ahead and stop the recording. Thank you.

Kathy Lynch: Thank you. I'm Kathy Lynch, representing Lynch & Associates but Miwall. Um, we'd been having a conversation, as I mentioned, when um, I spoke earlier that we represent a lot of law enforcement, um, folks who purchase firearms, um, and ammunition. Um, and I just wanted to question a lot of, um, law enforcement cadets, um, and folks entering community college, like Sierra College, as part of... they are not law enforcement officially yet but they are in training and they have to supply their own ammunition when they go into that line of education. And, um, so we are wondering how that might also be handled. That is not in the letters but we would like to put that on a the record as a questions because, again, they kind of fall into a grey area, where they are pursuing a law enforcement career, but they're not law enforcement yet. And they have to supply their own ammunition as part of their educational materials. Thank you.

Tony La Dell: Alright. Thank you, mam. Ok, we can discontinue recording again for the record.

Tony La Dell: Ok, we are recording now. We are going to go ahead and continue the hearing, uh, and take public comment. Jacqueline, do you want to go ahead and...

Jacqueline Dosch: Guy, please state your full name and any affiliation, if, uh, applicable for the record.

Guy Myers: My name is Guy Myers. I'm not representing any group of any kind, just myself. Is this on? Do you want me to speak into it?

Tony La Dell: It's recording.

Guy Myers: Ok. Mainly, I just had some questions. And I was a little confused about what was going on today. I thought there might be some comment of where you were headed going over other things, but um, I haven't read 63 in a while. I think there was some language in there relative to gun shows, and I think someone was telling me – someone from Crossroads was here – so maybe some of those items have already or questions have already arisen. Anyway, there in the guidelines or codification, you have a licensing situation. And I think part of that was saying that we are going to be charging 198 dollars or something for licensing and they have to be licensed at each location. I think maybe there was some early discussions with WalMart and they were saying they were going to get a license for each one or something that I read in the stuff on your website. So, my question is, how is that going to work? Let's just say that I'm an individual and instead of selling tomatoes at the farmers market, I wanna sell ammunition at, uh, gun shows. Uh, and, let's say that maybe the scenario I work under I quote, unquote work out of my house and I call up a distributor. I have the ammunition drop shipped to the event; and I sell it all. Uh, so I don't have a storefront. Would I have to get a license at each and every location? Part of your application I saw on there, uh, you're requesting their employee's COEs at the time they apply for the license. Are you going to have some kind of system that when a new employee comes that they have a way of implementing that? Uh, I see some challenges with the larger organizations that have a much larger employee pool and the ability of all those employees would be able to get past the background checks to get the Certificates of Eligibility, and on top of that, how do you plan on regulating that no one else in that organization, that doesn't have a COE, uh, doesn't touch that ammunition. Because if I am reading the law right, everybody that is dealing with that ammunition has to have a Certificate of Eligibility. And, uh, I don't have any idea how you do that one way or the other, but I just in reading the proposition and reading the regulation, it seems like there's some challenges that need to be worked out. Uh, the UPS driver that comes there and picks the ammo up out of his truck from where it's delivered from Shreveport? Or Idaho or whatever, and he touches that box, is he now breaking that law? Because he touched the box because he is in the supply chain? I don't think the intent, uh, was that, but where does that line of who is actually, uh, handling that and where does that end? And, if I am the only ammo dealer in the state of California because I am the only one that's got the 198 dollars and passed the COE. When these other people are doing things that aren't provided in the law, do I get to call you up and say hey, I like being the only one and making all the this money and I saw little Billy over there at 7AM at WalMart. He was unloading the ammo, and I was in there later in the day and they said, well, only the manager can sell you the ammo. So I just see some of these little technicalities that I don't... I think is going to be a challenge for you to work out. But I just bring them up and throw them out there because I think they are issues... The difficult task that you've got to implement what the intention of – in this case now the voters intended – uh, might be somewhat of a, somewhat of a challenge. But my real question, more of what would affect me, deals with what is a location in terms of the law? And like I said, I haven't read Proposition 63 in a while, uh, it seems like there was something addressed relative to, uh, gun shows in them. So, although you're not presenting back, am I wrong to raise that question? Is it... If I wanna go sell guns at a gun show, rather than tomatoes at the farmers market, do I need a license for each and every gun show? A separate license?

Jacqueline Dosch: Yeah, we are not answering questions at this time. But comments will be addressed in our paperwork, so just keep an eye on the website and we will post it.

Guy Myers:

So that was just to bring those issues up. And hopefully you can take this complex situation and boil it down to some regs that are easy for you to enforce and easy for everyone to understand. Thank you for your time.

Jacqueline Dosch: Thank you.

Tony La Dell: Ok, we're gonna stop the recording again. I'm sorry. We're gonna stop the recording again because we have no persons to make public comments. The time is, for the record, is 11:34.

Tony La Dell: Again, the time is 11:34. We are back on the record.

Jerry Haverrampt: Um, I just have a quick question regarding the previous speaker and, um, licensing. Um, again, my name, oh, my name is Jerry Haverrampt from the Auburn Trapshooting Club, and uh, it brought up a question of mine, or, uh, concern. Um, when we apply for a license and I guess we have to list every employee on that license. Is one license for that location going to be good for the employees that handle the ammunition? Or are we gonna have to buy multiple licenses for each employee that is handling that ammunition? And that if it, if you gotta buy multiple license per the person selling the ammunition, that could get very expensive for, you know, the small private clubs. So I'd like to see that, you know, that when this law goes into effect, there is, you know, the license is issued to the location with the employees that's gonna be handling the ammunition rather than having to buy multiple licenses for each individual. And that's all my questions I have.

Tony La Dell: Ok, again, we are going to stop the recording, um, because we have no persons present for further comment. The time is 11:36.

CLOSING STATEMENT

It is now 12:00 noon and there are no more persons present to make oral comments. Therefore, I hereby close this hearing on Ammunition Vendor Licensing, and the 45 day comment period closes today at 5:00 p.m. Thank you for attending.

SECTION 8

FINAL TEXT OF REGULATIONS

FINAL TEXT OF REGULATIONS

California Code of Regulations

Title 11, Division 5

Chapter 10. Ammunition

§ 4260. Ammunition Vendor License Applications

(a) Applicants for an initial ammunition vendor license must complete and submit Department of Justice Ammunition Vendor License (Non-Firearms Dealer), form BOF 1021 (Orig. 01/2018), which is hereby incorporated by reference. The application must be submitted with the fee specified in section 4261 and a copy of the following:

- (1) Any regulatory or business license required by local government.
- (2) Valid seller's permit issued by the State Board of Equalization.
- (3) Federal Firearms License if the applicant is federally licensed.
- (4) Certificate of Eligibility.

(b) Applicants for renewal of an ammunition vendor license must complete and submit Department of Justice Ammunition Vendor License Renewal Fee Transmittal, form BOF/CAV-0012 (Orig. 01/2018), which is hereby incorporated by reference, with the fee specified in section 4261.

(c) A firearms dealer licensed pursuant to Penal Code sections 26700 to 26915 is automatically deemed a licensed ammunition vendor pursuant to Penal Code section 30385(d) and is not required to submit an application for an ammunition vendor license.

Note: Authority cited: Sections 30385 and 30395, Penal Code. Reference: Sections 26700, 30385, and 30395, Penal Code.

§ 4261. Ammunition Vendor License Application Fee and Term Length

(a) The annual application fee for an ammunition vendor license (initial and renewal) is \$198 per location if the vendor is not on the Centralized List of Firearm Dealers.

(b) The term of an ammunition vendor license is from January 1 through December 31, regardless of the date the initial license is issued.

(c) Ammunition vendors must submit to the Department of Justice, a copy of renewals of the licenses specified in section 4260, within 30 days of the license's expiration. Failure to do so will invalidate the ammunition vendor license until a copy of the renewed license is received by the Department of Justice.

(d) Ammunition vendor licenses will be automatically renewed for vendors who maintain active status on the Centralized List of Firearms Dealers.

Note: Authority cited: Sections 30385, 30390, and 30395, Penal Code. Reference: Sections 30385, 30390, and 30395, Penal Code.

§ 4262. Display of Ammunition

Pursuant to Penal Code section 30350, ammunition shall not be displayed for sale or transfer in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor. Ammunition displayed in a shopping area open to the public is not considered “accessible” provided it is in a locked container (e.g. display case, cabinet, cage).

Note: Authority cited: Sections 30347 and 30350, Penal Code. Reference: Sections 30347 and 30350, Penal Code.

§ 4263. Vendor Fee for Processing a Private Party (non-vendor) Ammunition Sale

In addition to any applicable Department of Justice fee, an ammunition vendor may charge the purchaser a fee(s) for processing the sale of ammunition between two private parties as follows:

(a) If the purchaser will be present for immediate delivery of the ammunition, the fee shall not exceed five dollars (\$5).

(b) If the purchaser will not be present for immediate delivery of the ammunition, the vendor may charge an additional storage fee as agreed upon with the purchaser prior to the vendor receiving the ammunition.

Note: Authority cited: Section 30312, Penal Code. Reference: Section 30312, Penal Code.

§ 4264. Suspension and Forfeiture of Ammunition Vendor’s License

(a) An ammunition vendor’s license may be suspended for a period of up to six months for a violation of these regulations.

(b) An ammunition vendor’s license may be forfeited for a breach of any of the prohibitions and requirements in Penal Code sections 30300 through 30365.

(c) All hearings related to a suspension or forfeiture shall be conducted in accordance with Government Code section 11500 et. seq.

(d) An ammunition vendor whose license is forfeited may not re-apply for a license earlier than one year from the effective date of the forfeiture.

Note: Authority cited: Section 30395, Penal Code. Reference: Sections 30300, 30305, 30306, 30312, 30314, 30342, 30345, 30347, 30348, 30350, 30352, 30355, 30357, 30360, 30362, 30363, 30365, and 30395, Penal Code.

SECTION 9

UPDATED INFORMATIVE DIGEST

UPDATED INFORMATIVE DIGEST

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Regulatory Action.

SECTION 10

FINAL STATEMENT OF REASONS

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

Sections 4260, 4261, 4262, 4263, and 4264.

In section 4260 (a), we revised the date of and added the complete name of the form, “Ammunition Vendor License (Non-Firearms Dealer), Form BOF 1021 (Orig. 01/2018).” In section 4260 (b), we revised the date of and added the complete name of the form, “Ammunition Vendor License Renewal Fee Transmittal, Form BOF/CAV-0012 (Orig. 01/2018).” This is a non-substantial change.

In section 4263, subdivision (a), we added the word “to” in the statement, “Subdivision (a) authorizes ammunition vendors to charge a fee not [to] exceed five dollars (\$5)...” This change is grammatical and non-substantive.

In the Initial Statement of Reasons, under the heading “§ 4264. Suspension and Forfeiture of Ammunition Vendor License,” the reference to Government Code section 1500 et seq. is a typo and should be Government Code section 11500 et seq. The reference is correct in the text of the regulation.

In section 4264 we have deleted from the Authority and Reference section references to Government Code sections 11500 et seq. The reference is unnecessary because the Department is not interpreting those sections. (Cal. Code Regs., tit. 1, § 14.) This is a non-substantive change.

There is no additional information to be updated. All other information provided in the Initial Statement of Reasons is accurate and current. Title 11, Division 5, Sections 4261, 4262, 4263, and 4264 were adopted as originally proposed.

SUMMARY OF COMMENTS AND DOJ RESPONSES

The Department received 72 different comments from a total of 115 persons. Attachment A (25 pages) is a summary of the comments submitted during the 45-day comment period and the Department’s responses. Attachment B is an alphabetical list (4 pages) of the commenters and identifies (by number) the comment(s) made by each person.

ALTERNATIVES DETERMINATION

The Department has determined that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation or would be more cost-effective to affected

private persons and equally effective in implementing the statutory policy or other provision of law.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose any mandate on local agencies or school districts.

PUBLIC COMMENTS AND DEPARTMENT OF JUSTICE RESPONSES

#	Summarized Comment	DOJ Response
1.	General Opposition to the Ammunition Vendor Regulations	We received a number of non-specific, generalized comments in opposition to any regulation of the sale of ammunition. The voters, however, approved Proposition 63 on November 8, 2016 which, along with Senate Bill 1235, direct the Department to implement these regulations. Absent a specific comment regarding this regulatory submittal, the Department of Justice cannot provide a more specific response.
2.	How does a prospective ammunition vendor applicant lawfully obtain a license?	Section 4260 (Title 11, Division 5, Chapter 10) of the regulations specify the ammunition vendor license application requirements.
3.	Will rod and gun clubs be provided an exemption for ammunition purchases that are used for training sessions, competitions, and educational sessions held by the organization?	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.
4.	The regulations are unduly burdensome, and collectors should be afforded some exemptions.	The Department has made every effort to limit the burden of the regulations and to pursue a simple and straightforward path for ammunition vendor licensing. The comment on exemptions for collectors is not within the scope of this regulatory submittal.
5.	Are applicants required to have a business address, or can an ammunition vendor licensee use their residence/home address?	Applicants can use either address for the ammunition vendor license application. However, the address listed on the application (Form BOF 1021) will be the location where the license is valid.
6.	Without the ability to purchase ammunition online, amongst the other proposed changes, the regulations will cause the price of ammunition to increase.	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.
7.	These regulations are unconstitutional.	This is a generalized comment to which the Department cannot provide a response.
8.	The regulations will hurt law-abiding citizens and will not stop criminals.	This is a generalized comment to which the Department cannot provide a response.
9.	These regulations will create a black market, where the trading and selling of ammunition ultimately goes unregulated.	This is a generalized comment to which the Department cannot provide a response.

#	Summarized Comment	DOJ Response
10.	These regulations are simply a tax on an already over-taxed system.	This is a generalized comment to which the Department cannot provide a response.
11.	The regulations make it more difficult to obtain ammunition, which makes anyone who possess ammunition a target for a theft/robbery.	This is a generalized comment to which the Department cannot provide a response.
12.	The regulations will be detrimental to online sales of ammunition, which has been beneficial for the industry. The majority of online purchases are done for efficiency purposes, and the system should not be changed.	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.
13.	Did not receive proper notification of the proposed rulemaking.	<p>This comment does not pertain to the content of the regulations. However, in accordance with the Administrative Procedure Act, the Department issued the Notice of Proposed Rulemaking for the regulations on July 19, 2017.</p> <p>Additionally, the Department held a 45-day public comment period and an in-person public hearing on September 12th.</p>
14.	The regulations will force people to import their ammo, which will make tracking even more difficult.	This is a generalized comment to which the Department cannot provide a response.
15.	Will the regulations address the importing of weapons and ammunition? If so, how?	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition or the importation of firearms. The substance of the comment is therefore not within the scope of this regulatory submittal.
16.	Restricting the amount of ammunition that citizens may purchase will deprive the state of sales tax revenue and DROS fee revenue.	This is a generalized comment to which the Department cannot provide a response.
17.	The regulations will cause people to purchase less ammunition, which will close stores that sell firearms products and will eliminate the associated jobs.	At least 90 percent of ammunition businesses are also Federal Firearm Licensee (“FFL”) holders. As such, each is automatically deemed a licensed ammunition vendor pursuant to Penal Code section 30385(d). The Department estimates that there are only about 200 non-FFL businesses that require separate licensing. Consequently, the Department has concluded that the impact on ammunition sales will be minimal. These regulations simply facilitate the licensing of non-FFL vendors. In any event, the regulation of ammunition sales is mandated by Proposition 63 which the voters approved on November 8, 2016.

#	Summarized Comment	DOJ Response
18.	<p>What is the proposed transfer fee for ammunition under the regulations? Is the specified amount per box, per batch of each caliber, etc.?</p> <p>The regulation language should be more specific in this area.</p>	For private party transfers, dealers may charge a fee of up to \$5 per transaction, not including any agreed upon storage fee assessed when the purchaser will not be present for the immediate delivery of the ammunition.
19.	By charging the same handling fee for a box of 50 rounds or a case of much more ammunition, the regulations are encouraging people to stockpile and hoard ammunition. Is this the goal?	No. The Department set the private party transfer fee at an amount that is low enough to encourage people to transfer ammunition properly under the law (to avoid illegal activity), but high enough that dealers would be inclined to accept/process the transfer.
20.	The regulations should instead increase penalties for individuals who use firearms to commit violent crimes, instead of raising the price of ammunition for the general public.	These regulations pertain only to the licensing of ammunition vendors. The enabling statutes did not grant the Department the authority to regulate the penalties for individuals who use firearms to commit violent crimes. The substance of the comment is therefore not within the scope of this regulatory submittal.
21.	There should be different public hearing times and locations held for those who cannot make the originally scheduled public hearing.	The public hearing requirements are set by law. In accordance with the Administrative Procedure Act, the Department noticed and held a public hearing on September 12 th . The Department also held a 45-day public comment period, where electronic and hard copy comments were received for those who could not attend the public hearing.
22.	Proposition 63 specified that the regulations would need to be implemented by July 1, 2017, so why is there a delay in the regulation process?	The Department has taken additional time on the rulemaking to ensure the most accurate and complete regulations are in place.
23.	There are too many gun and ammunition related regulations already in place, so we do not need any additional regulations.	This is a generalized comment to which the Department cannot provide a response.
24.	Support for the regulations and the enforcement of Proposition 63.	The Department is grateful for the public input and to address the needs of the regulated public.
25.	The public comment period was only open for two hours.	At the public hearing on September 12, 2017, the video conference was idle for one hour of the two-hour hearing with no members of the public wishing to comment on the regulations. Additionally, the Department held a 45-day comment period for those unable to attend the public hearing.

#	Summarized Comment	DOJ Response
26.	<p>The July 14th Notice Register states that the regulations and supporting documents would be available on the DOJ website, but the domain redirected to a site that did not contain the documents.</p> <p>Since the information was not available, as prescribed, DOJ should withdraw the regulations and re-submit properly.</p>	<p>The Office of Administrative Law (“OAL”) Notice Registry was not posted on the OAL website until late on July 14, 2017. The Department then posted the documents on the DOJ website on July 17, 2017. The Department sent notices to the list of interested parties on July 19, 2017. Additionally, the Department adjusted the notice and 45-day comment period to begin on July 28, 2017, and ending on September 12, 2017, to ensure a full comment period was provided in accordance with the law.</p>
27.	<p>The ammunition dealer fee should be reduced to a maximum charge of \$1.00 for the entire purchase.</p>	<p>If the commenter is referring to private party transfers, as described in Penal Code section 30312, the Department set the fee at an amount that is low enough to encourage people to transfer ammunition properly under the law (to avoid illegal activity), but high enough that dealers would be inclined to accept/process the transfer.</p>
28.	<p>Thank you for clarifying the boundaries of Proposition 63.</p>	<p>Comment received. Thank you for your input.</p>
29.	<p>Would like to know when and where the public hearing on the regulations will occur?</p>	<p>The public hearing on the regulations was held at the Resources Building Auditorium (1416 9th Street, Sacramento, CA 95814) on September 12, 2017 from 10:00AM to 12:00PM. This information was posted on the Department’s website on July 19, 2017 date, and in the Notice Register on July 28, 2017.</p>
30.	<p>The public hearings should have people appointed/hired in attendance who are able and willing to respond to comments.</p>	<p>The purpose of a public hearing is receive comments and recommendations from the public. The regulatory process provides this response to public comment procedure for answering comments.</p>
31.	<p>These regulations will likely cause stores to no longer allow for online ammunition purchases to be made and picked up at their location.</p>	<p>Penal Code section 30312 of the governing statute permits online purchases. Moreover, the Department set the private party transfer fee at an amount that is high enough to encourage dealers to process such transfers.</p>
32.	<p>The regulations will cause non-gun specific retailers from carrying ammunition all together, which will limit ammunition availability and consumer choice.</p>	<p>This is a generalized comment to which the Department cannot provide a response.</p>

#	Summarized Comment	DOJ Response
33.	The regulations pertaining to the display of ammunition in stores is written in a broad manner that could use clarification.	Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u> ” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.
34.	Would comments from business owners, who are knowledgeable in the field, be taken into consideration at the hearing and during the finalization of the regulations?	Yes. The Department has taken the comments received during the public comment period and at the public hearing into consideration.
35.	Agree with the goal of reducing gun violence and prohibiting access to those that should not possess ammunition.	Comment received. Thank you for your input.
36.	<p>The requirement for installing cages, gates, locks, and cabinets is financially burdensome on small businesses and would still be ineffective at preventing unauthorized access to ammunition.</p> <p>The penal code outlining the display of ammunition needs to be further defined and the regulations should be made less financially burdensome to the existing display methods.</p>	Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u> ” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.
37.	The regulations are not practical, as they do not address how the ammunition may be handled once an employee has assisted a customer or once a purchase has been made.	These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.

#	Summarized Comment	DOJ Response
38.	There is no need for a consumer license, and the license should just be reserved for the vendor. State and federal law already prohibits ammunition for those convicted of crimes or for those who are underage. The consumer license is not helpful, unless DOJ plans to also do a psychological evaluation on each licensee.	Purchasers are not required to obtain a license.
39.	<p>Define ammunition beyond Penal Code 16150: Loose rounds or packaged rounds? Packaged rounds are in sealed (often taped) boxes, which are then sealed in cardboard cases that are also glued, taped and stapled shut.</p> <p>“Ammunition” should be further defined as “loose rounds,” “original packaging.”</p>	Redefining the statutory definition of ammunition is outside the scope of this rulemaking.
40.	Is an ammunition retail store still “open to the public” if it (a) has a sign at entrance that denies entry to those persons prohibited by law to purchase or handle ammunition? (b) has a sign at entrance that states business “reserves the right to refuse service to anyone,” (c) has a sign at entrance that states, “only those persons holding a valid ammunition purchaser’s license may enter,” (d) only allows entry to persons who have been made members (similar to wholesale stores: restaurant, beauty supply). Membership would be made based on providing personal information & a declaration that member is not prohibited by law from purchasing or handling ammunition. (e) If store has an electronically secured entrance/exit gate in which an employee must personally approve entrance and exit of each customer (similar to gates at pawnshops or jewelry stores).	Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u> ” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.

#	Summarized Comment	DOJ Response
41.	<p>Is ammunition considered “locked” if it is sealed in original packaging, which includes tape, glue, and/or staples as well as additional sealed boxes, which also include tape, glue and/or staples? (b) Are containers considered locked if they are secured by plastic zip/cable ties? (c) If a store’s entrance/exit is sealed with an electronically controlled gate, is the store then a “locked container?” (d) Can the ammunition be surrounded by a locked gate?</p> <p>The definition should allow for display of ammunition that is in original sealed packaging that includes glue, tape and/or staples, as well as additional sealed cardboard boxes to be considered, “locked and/or secured.”</p> <p>Ammunition cans should be considered lock when secured by plastic zip ties/cable ties – requiring key locks would be financially burdensome. The regulations should also allow for ammunition that is in original sealed packaging that includes glue, tape and/or staples to be displayed using barriers such as rope and/or signs that inform customers that they may not touch boxes without employee assistance.</p>	<p>Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u>” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.</p>

#	Summarized Comment	DOJ Response
42.	<p>“Cage”: (a) What material must the cage be? (b) Does the cage need to have a top?</p>	<p>Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u>” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.</p>
43.	<p>“Purchaser or transferee” – (a) as is common in retail stores, customers utilize shopping carts to browse the store before making a purchase. If purchaser requests the assistance from employee to access ammunition and access is granted, is purchaser allowed to place sealed & boxed ammunition in shopping cart prior to purchase? (b) Once purchase has been made, is customer allowed to remain in store with their purchase, should they decide to continue browsing? The ammunition is now their property, but no longer in a “cage.”</p>	<p>(a) Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u>” (Emphasis added.)</p> <p>(b) These regulations pertain only to the licensing of ammunition vendors. The substance of the comment is therefore not within the scope of this regulatory submittal.</p>
44.	<p>Consider the removal of the ammunition purchaser documentation requirements, since this is costly and will only create a database of law-abiding citizens.</p>	<p>These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.</p>

#	Summarized Comment	DOJ Response
45.	<p>The California Penal Code sections applying to the licensing of ammunition vendors appear to be intended to apply just to retailers who sell to the general public, but not to wholesalers. Prohibited persons cannot obtain ammunition from wholesalers, so there is no reason for the regulations to apply to them.</p> <p>Chapter 1 of Division 10, Ammunition, taken in its entirety (Penal Code Sections 30210 - 30395), appears to apply only to retail ammunition sales made to the general public and to private party transfers, not to wholesale transactions. Section 30342 is also not clear on this distinction and could be in conflict with other Penal Code sections.</p> <p>Accordingly, the ammunition vendor licensing regulations proposed by the department (CCR Title 11, Division 5) should be revised to reflect the above distinction between wholesalers and retailers, and to clarify whether wholesalers need to obtain an ammunition vendors license for the conduction of wholesale transactions.</p>	<p>Wholesalers are not exempt from the ammunition vendor licensing requirement, but they are exempt from the reporting/recording requirements. This exemption is stated in Penal Code section 30352 (e)(5).</p>
46.	<p>The proposed \$198 fee is too burdensome for small retailers and could cause some stores to discontinue their sale of ammunition. The fee should be reduced until we have evidence of the true costs of the licensing program.</p>	<p>As explained in the Initial Statement of Reasons, this fee was arrived by allotting only one half-time person per year to process all of the associated background checks and documentation pertinent to the program. The cost of that position was then distributed across the known group of non-FFL vendors. Based on the Department's experience, this is the minimum that should be dedicated to the program.</p>
47.	<p>The initial cost of the vendor license should be pro-rated to reflect the proportional amount of the license year remaining before renewal is required. Another option is for the license to be valid for one year from the date of license issuance.</p>	<p>The license does not take effect until January 1, 2018, so the majority of vendors who are currently applying for a license will be placed on this calendar cycle. Additionally, the cost for the Department to process the licenses does not change based on the date the application is submitted.</p>

#	Summarized Comment	DOJ Response
48.	In rural and sparsely populated areas, there may not be many places for people to buy ammunition, so the increased licensing requirements and fees could make it hard for them to find a store to purchase ammunition.	This is a generalized comment to which the Department cannot provide a response.
49.	<p>Penal Code Section 30312 provides exemptions from vendor licensing recordkeeping and reporting requirements for sales of ammunition to specified persons and entities. Section 30330 also provides exemptions for sales to the military and law enforcement. It would appear that sales made by ammunition wholesalers to specified agencies, entities, and their employees who use it in the conduct of their duties/businesses are intended to be exempt from the licensing requirements.</p> <p>However, Penal Code Section 30342 is not clear relative to the distinguishing between ammunition retailers who sell to the general public and ammunition wholesalers that do not.</p>	<p>All ammunition vendors (defined in Penal Code section 30342 as any person, firm, corporation, or other business enterprise selling more than 500 rounds of ammunition in any 30-day period) must obtain an ammunition vendor license.</p> <p>Although wholesalers are not exempt from the ammunition vendor licensing requirement, they are exempt from the reporting/recording requirements. This exemption is stated in Penal Code section 30352 (e)(5).</p>

#	Summarized Comment	DOJ Response
50.	<p>Chapter 1 of Division 10, Ammunition, appears to be intended to apply ammunition purchaser personal information recording and reporting requirements only to ammunition sales made to the general public and to private party transfers, not to governmental law enforcement agencies, their designated personnel, and other persons and entities that use the ammunition in the normal course and scope of their duties/businesses.</p> <p>Clarification is sought from DOJ as to whether the ammunition vendor customer's personal information recording and reporting requirement exemptions would also apply to security companies and their armed guard personnel (regulated by the State Bureau of Security & Investigative Services), privately owned law enforcement educational and training facilities, public utility company security personnel, police/security departments and their personnel of universities and other educational institutions, non-profit institutions having security departments such as hospitals, corporations having their own security departments, law enforcement operated academies and their personnel, Tribal law enforcement/security departments and their personnel, state and local government agencies with law enforcement duties (i.e.- fire departments, animal control, correctional facilities, parole & probation, harbor patrol, etc.), and other institutions, entities, and persons who lawfully possess a firearm and ammunition in the conduct of their occupational duties.</p> <p>Not all are post certified, but they all engage in security for government or government-owned entities and should share the same exemptions.</p> <p>The exemptions to the ammunition vendor customer's personal information recording and reporting requirements should apply to entities and persons, as described above, who are not members of the general public and who purchase it for use in the course and scope of their business/employment.</p>	<p>The ammunition vendor customer information reporting and recording requirements are required for all purchasers, unless expressly exempt under the statute (Penal Code section 30352).</p>

#	Summarized Comment	DOJ Response
51.	<p>The current Penal Code sections governing the sale of ammunition and licensing of ammunition vendors is unclear on whether the vendor licensing law requirements for recording the personal information of ammunition buyers is intended to apply to sales made to the general public but not to retail/wholesale transactions that do not involve the public.</p> <p>Recently added Section 30342 is not clear on the distinction, and it could be interpreted to apply to all ammunition retailers and wholesalers, even when not selling ammunition to the general public. This section appears to conflict with other Penal Code sections that are relevant to the subject matter.</p>	<p>All ammunition vendors (defined in Penal Code section 30342 as any person, firm, corporation, or other business enterprise selling more than 500 rounds of ammunition in any 30-day period) must obtain an ammunition vendor license.</p> <p>Although wholesalers are not exempt from the ammunition vendor licensing requirement, they are exempt from the reporting/recording requirements. This exemption is stated in Penal Code section 30352 (e)(5).</p>

Section 4260

1. Does the Centralized List of Firearms Dealers License have to be posted at each location of Point of Sale or cash register?
2. Does the Certificate of Eligibility (COE) for each employee include administration, Shipping, receiving, manufacturing and drivers?

Under COE guidelines, if any of our employees fail to qualify for the COE under California Law?

3. Will we be able to terminate an employee under those grounds?
4. What effect will that have on the employee's ability to collect unemployment?
5. What effect will that have on the Company's unemployment liability?

Section 4262

Penal Code Section 30350

With Regard to the container that houses ammunition during the sale to the public:

6. Will a rack system that is not within reach to the public be considered acceptable?
7. Will a locking net over pallets of ammunition be sufficient for nightly storage at gun shows?
8. Does the paid entrance to a secured venue negate the storage requirements?
9. Are the restrictions of access to ammunition only during the sale of?
10. Are there restrictions for access to storage of ammunition not for sale?

Section 4260

1. This comment is unclear. An ammunition vendor does not need to be on the Centralized List, but they may be on the list if they are a Certified Firearms Dealer.

2. The Certificate of Eligibility is a requirement for any agent or employee of the licensed ammunition vendor who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347).

3 Through 5. These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.

Section 4262

6 Through 10. Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.” (Emphasis added.)

The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.

11. This comment is unclear. However, a Certificate of Eligibility is a requirement for any agent or employee of the licensed ammunition vendor who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347).

12. Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.” (Emphasis added.) The statute is specific

<p>11. Do Government representatives or private inspectors need a COE prior to entrance to a storage facility?</p> <p>12. Is there a process for building maintenance or contractors during building improvements regarding COE?</p>	<p>enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.</p>
<p>Manufacturing and reloading ammunition:</p> <p>13. Will customers with spent casings be required to re-qualify for a purchase if we reload new components in their used casings?</p> <p>14. Will individual component purchases fall under the same regulations as loaded ammunition? (casings, primers, powder, projectile)?</p>	<p>13. Yes.</p> <p>14. No.</p>
<p>Section 4263</p>	<p>Section 4263</p>
<p>Vendor Fee for Processing a Private Party ammunition sale:</p> <p>15. Once a customer has purchased ammunition are we legally allowed to surrender of transfer ownership at the point of sale?</p> <p>16. Does the fee for the ammunition vendor may charge the purchaser for processing an ammunition sale between two parties fluctuate per vendor or is there a set amount for all Centralized Firearms Dealers?</p> <p>17. What about return ammo from gun shows how do the customers return ammo?</p> <p>18. Are gun clubs exempt from the laws Rifle pistol and shotgun?</p> <p>19. What are the rules for ammo they get from the club or if they bring their own Ammo?</p> <p>20. Does hired security change the storage requirements? Public or government?</p>	<p>15. These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.</p> <p>16. For private party transfers, dealers may charge a fee of up to \$5 per transaction, not including any agreed upon storage fee assessed when the purchaser will not be present for the immediate delivery of the ammunition.</p> <p>17 Through 19. These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.</p> <p>20. No, Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u>” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.</p>

21. Are storage requirements for the sale of ammunition changed when the sale takes place with a sworn police officer present?

22. What is definition of “out of reach”?

23. Will out-of-state residents fall under the same regulations if purchasing in California?

24. Can out-of-state vendors ship to an ammunition vendor on the behalf of a California resident?

25. Can a licensed California ammunition vendor ship to another licensed vendor on the behalf of a qualified California resident?

26. Can that vendor charge a fee, and are there limits to a Vendor transfer fee?

27. Do shipping companies require a COE for their drivers or warehouse personnel?

28. How will ammunition returns be handled that are more than 50 rds? How will replacement shipments be handled?

29. Will armed security guards be considered law enforcement agents?

30. Are their written requirements or logs for vendor to vendor sales in the state of California?

Law enforcement Sales

31. Agencies that wish to pick up merchandise at our warehouse often send cadets or volunteers. Will these be acceptable under authorized representatives or agents?

32. Does administrative staff fall under authorized representative? What is required proof of authorization?

21. No, Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.

22. Penal Code section 30350 provides that “[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.” (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.

23 Through 25. These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.

26. For private party transfers, dealers may charge a fee of up to \$5 per transaction, not including any agreed upon storage fee assessed when the purchaser will not be present for the immediate delivery of the ammunition.

27. The Certificate of Eligibility is a requirement for any agent or employee of the licensed ammunition vendor who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347).

28 Through 30. These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.

#	Summarized Comment	DOJ Response
	<p>33. Can we ship to licensed security companies?</p> <p>34. Can we ship ammunition directly to a sworn peace officer?</p> <p>35. When delivery of ammunition is made to a city or county warehouse does the individual receiving or signing the bill of lading need to be law enforcement or have a COE?</p> <p>36. Individuals attending a police or law enforcement academy require a background check or COE?</p> <p>37. Does a receipt or invoice require documentation when sold to a law enforcement officer or agent?</p>	<p>31 and 32. The Certificate of Eligibility is a requirement for any agent or employee of the licensed ammunition vendor who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347).</p> <p>33 Through 37. These regulations pertain only to the licensing of ammunition vendors. The substance of this comment is therefore not within the scope of this regulatory submittal.</p>
53.	<p>1. What do we have to do to become an Ammo dealer (non FFL dealer)?</p> <p>2. When will the application be available to apply?</p> <p>3. What happens if DOJ does not have the application out in time to meet or approve the application by the Jan 01 2018 deadline? (DOJ said not to fill out the one on line due to it has not been approved at this time)</p> <p>4. Does all employees have to be listed on the application that sells Ammo?</p> <p>5. Once approved what is the limit that can be sold to any one person at a shooting range?</p>	<p>1. Section 4260 (Title 11, Division 5, Chapter 10) of the regulations specify the ammunition vendor license application requirements.</p> <p>2. Applications are being accepted now, and the licensing requirement takes effect on January 1, 2018.</p> <p>3. Adjustments will be made, if necessary.</p> <p>4. Ammunition vendor applicants only need to list employees who are required to have a Certificate of Eligibility. The Certificate of Eligibility is a requirement for any agent or employee who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347).</p> <p>5. This is outside the scope of the rulemaking. The proposed regulations do not set a limit on the amount of ammunition that can be sold.</p>

#	Summarized Comment	DOJ Response
54.	<p>Penal Code Section 30385(b) expressly states an ammunition vendor license “shall be valid for a period of one year.” The DOJ cannot issue licenses that are valid for less than a year.</p> <p>If proposed section 4261 (b) is enacted, the duration of an ammunition vendor's license can be shorter than the one-year period required by the Penal Code. For example, if a vendor were to request and receive a license on July 1, the term of that license will be 6 months and not the required year because proposed section 4261(b) states that all vendor licenses have a term ending on December 31. This is clearly contrary to the intent of the public in enacting Proposition 63, who chose to allow ammunition vendor licenses to have a term of one year, regardless of the application date.</p> <p>The proposed regulation should be modified so that it conforms with Penal Code section 30385(b) and states that the term of the license shall be one year from the date of issuance, regardless of when the license was issued. In the case a license is issued prior to January 1, 2018, that license will go into effect on January 1, 2018 and have a term of one year.</p>	<p>The license does not take effect until January 1, 2018, so the majority of vendors (including those who are currently applying for a license) will be on this calendar cycle. The Department has endeavored to keep the licensing cost at a minimum. Ensuring applicants are on the same renewal track reduces the staff/resource burden and keeps the processing costs low, which benefits the majority of ammunition vendor applicants.</p>
55.	<p>Section 4264 (a) of the regulations should be deleted because DOJ has neither express nor implied authority to suspend ammunition vendor licenses. While Penal Code Section 30395 (c) allows “forfeiture” of a vendor’s license, there is no authority for the Department to “suspend” a license. None of the sections that DOJ cites as authority use the word “suspension.”</p>	<p>The ability to suspend a license is a lesser included authority to the revocation of a license. (See Government Code section 11460.10, et seq. [Emergency Decisions].)</p>
56.	<p>The proposed regulations do not indicate when renewal applications must be submitted.</p>	<p>Section 4261(c) specifies that renewals must be submitted to DOJ within 30 days of the license’s expiration.</p>

#	Summarized Comment	DOJ Response
57.	<p>How will vendor violations be identified? Will the DOJ conduct routine inspections of all ammunition vendors, or will DOJ only inspect vendors who are also firearm dealers as part of its Centralized List of Firearm Dealer inspections? It would be unfair to inspect only vendors who are also firearm dealers.</p>	<p>All ammunition vendor license holders will be inspected.</p>
58.	<p>Proposed section 4261 (c) states: "Ammunition vendors must submit to the Department of Justice, a copy of renewals of the licenses specified in section 4260, within 30 days of the license's expiration. Failure to do so will invalidate the ammunition vendor license until a copy of the renewed license is received by the Department of Justice."</p> <p>The use of the word "received" should probably be changed to "issued," as DOJ issues renewed licenses and does not receive them. Alternatively, if DOJ means that an invalidated license is renewed when application for renewal is "received," the sentence should be modified to read: "...until a copy of the application for renewal is received by the Department of Justice."</p>	<p>This regulation pertains to the required local licenses – not the Department issued vendor license.</p>

#	Summarized Comment	DOJ Response
59.	<p>Proposed section 4264 attempts to clarify Penal Code section 30350 by stating, "Pursuant to Penal Code section 30350, ammunition shall not be displayed for sale or transfer in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor. Ammunition displayed in a shopping area open to the public is not considered 'accessible' provided it is in a locked container (e.g. display case, cabinet, cage)."</p> <p>It is neither clear in the Penal Code, nor in the proposed regulations, whether ammunition "kept behind the counter" must be contained in a "locked container." By "kept behind the counter," we mean ammunition located typically along a wall behind both the store's employees and counter or display case. This merchandise is not locked in a case, but a customer is not allowed in the area and would be challenged by an employee if the customer were to enter the area. We would argue that because a customer cannot go behind the counter without being challenged by an employee, ammunition "kept behind the counter" is not accessible by the public without assistance of the vendor or an employee. But this is not clear in the Code or the proposed regulations and we ask for clarification.</p>	<p>Penal Code section 30350 provides that "[a]n ammunition vendor shall not sell or otherwise transfer ownership of, offer for sale or otherwise offer to transfer ownership of, or display for sale or display for transfer of ownership of any ammunition <u>in a manner that allows that ammunition to be accessible to a purchaser or transferee without the assistance of the vendor or an employee of the vendor.</u>" (Emphasis added.) The statute is specific enough to provide notice to vendors about what is prohibited but, at the same time, it allows a vendor the ability to implement the law in a way that best suits its business. These regulations closely follow that guidance.</p>

#	Summarized Comment	DOJ Response
60.	<p>There is a problem with proposed section 4263, subsection (b), which requires that the storage fee be agreed upon prior to the vendor receiving the ammunition. What remains unclear is what must be done if no agreement is made prior to the ammunition being sent to and received by the vendor. Penal Code section 30312 appears to require ammunition vendors to "promptly and properly" process an ammunition transaction, but proposed section 4263 appears to allow an ammunition vendor to refuse shipment of ammunition when it is sent to the vendor for processing (pursuant to Penal Code section 30312) but the customer does not agree to the transfer fees prior to the vendor receiving the ammunition.</p> <p>DOJ should revise proposed section 4263 to clarify what an ammunition vendor must do if the ammunition vendor and purchaser have not reached an agreement prior to the vendor receiving the ammunition.</p>	<p>These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.</p>

61. The BOF 1021, "Application for Ammunition Vendor License (Non-Firearms Dealer)," form presents a problem. Part D located on page 3 of 5 appears to require the COE numbers for all ammunition vendor employees prior to the issuance of the ammunition vendor license. The requirements for the form, located on page 4 of 5, confirm that assumption. Under "Application Requirements[.]" the form states in pertinent part: "Applications must be accompanied by ... a listing of all employees with a certificate of eligibility (COE)."

This requirement puts the proverbial cart before the horse. California law does not require, as a prerequisite for the application and/or obtainment of an ammunition vendor's license, that all the vendor's employees who have access to ammunition possess a COE. Quite the opposite. Penal Code section 30347(a) presumes that the business will be an ammunition vendor prior to the employee being hired and handling the ammunition, but the Code also requires the employee to provide the (licensed) ammunition vendor's name with whom the person is employed and the corresponding address of the vendor.

To give effect to BOF 1021 would nullify Penal Code section 30347(a), by potentially preventing a current agent or employee of an ammunition vendor from ever applying for a COE by listing the employer's ammunition vendor information on the COE application. The COE prerequisite in BOF 1021 is irreconcilably inconsistent with the Code.

The requirements for an ammunition vendor license located in Penal Code sections 30385 and 30395 do not require the business to provide COE numbers of employees to DOJ prior to the issuance of the license. Only the individual applying for the license or the "responsible person" acting on behalf of an entity is required to have a COE.

Requiring a vendor to have its employees acquire a COE prior to the application of a vendor license will prove counterproductive. It is better to allow the vendor to acquire its license and then have the employees acquire their COEs once the license is granted. Then, if

As stated in section 4260(a)(4) of the regulations, an ammunition vendor license applicant must have a Certificate of Eligibility. The COE is also a requirement for any agent or employee who handles, sells, delivers, or has under his or her custody or control any ammunition (Penal Code section 30347). If no vendor employees have COEs and/or the employees' names and COE numbers are not listed on Form BOF 1021, the only individual authorized to handle, sell, deliver, or have in his or her custody or control any ammunition, is the license applicant (who is required to have a COE).

#	Summarized Comment	DOJ Response
	<p>the employee does not possess a COE prior to January 1, 2018- either by the employee's own delay in applying or DOJ's delay in processing- the vendor can restrict the employee's access to ammunition until the COE is obtained. It makes no sense to delay and force a vendor to cease business because a vendor license is delayed for want of a COE by one of its employees.</p>	

#	Summarized Comment	DOJ Response
62.	<p>The "Ammunition Vendor License Renewal Fee Transmittal" document, referenced as form BOF/CAV-0012, appears to be an incomplete form or some kind of template for a renewal letter. If the former is true, DOJ should resubmit the form and reopen the public comment period for that form. If BOF/CAV-0012 is supposed to be a template for a renewal letter, it is woefully lacking in clarity. Only need to read the first paragraph to note the problems:</p> <p>"Make any business information changes next to the line number that requires correction. If no changes are made, indicate no change by checking the appropriate box. All licensees must sign and date the renewal form. Submit the signed form and fee to..."</p> <p>What "lines" are these instructions referring to? Following the instructions and address stated is an outline of what appears to be the required information for an ammunition vendor license, but this information is not provided in the same order as the application form (BOF 1021). If BOF/CAV-0012 is a "transmittal," where is the "form" that is referenced in the instructions? This document cannot be the form, as it appears to require information, like the business name, address, city, and California zip code, inserted into placeholders at the top of the document.</p> <p>Perhaps an actual renewal form is in order, or even modifying the application form (BOF 1021) to make it an application/renewal form would make more sense than what is proposed now.</p> <p>Like the application form, the "transmittal" document appears to require the vendor to provide COE information for employees. For the stated reasons above, this remains incorrect.</p>	<p>More than 2,000 FFLs have been using this format for the submission of changed information for years and have not reported any problems.</p>
63.	<p>If you are on the Centralized List, you are already qualified. Will you receive an actual vendor license or something that needs to be posted?</p>	<p>Yes, every ammunition vendor licensee will receive a license.</p>

#	Summarized Comment	DOJ Response
64.	Regarding gun shows, the Department of Justice has put effective gun show laws on the books in the past, so we want to make sure that we maintain those laws without causing a detrimental impact to those participating in gun show activities.	This is a generalized comment to which the Department cannot provide a response.
65.	The DOJ should release a FAQ that summaries the background information before the formal rulemaking.	The Department did provide notice of the regulations and an opportunity to comment as a part of the formal rulemaking process.
66.	<p>The Statement of Economic Impact does not accurately account for small retailers who store ammo on pallets and other places because they don't have the ability to store the ammo in secured areas, which will limit how much ammo they can purchase. This will also increase the price of ammo. This will ultimately reduce the overall amount of ammo that is sold in the state, which will also reduce the amount of revenue that the DOJ receives.</p> <p>The cost of developing the infrastructure for DOJ is the same whether it is a few million rounds or hundreds of million rounds. The DOJ stated that they don't anticipate any economic impact, but that is inaccurate.</p>	At least 90 percent of ammunition businesses are also Federal Firearm Licensee ("FFL") holders. As such, each is automatically deemed a licensed ammunition vendor pursuant to Penal Code section 30385(d). The Department estimates that there are only about 200 non-FFL's businesses that require separate licensing. Consequently, the Department has concluded that the impact on ammunition sales will be minimal. These regulations simply facilitate the licensing of non-FFL vendors. In any event, the regulation of ammunition sales is mandated by Proposition 63 which the voters approved on November 8, 2016.
67.	Are law enforcement cadets (such as those in a training program at a community college) exempt? They are not yet official law enforcement, but they are in training and have to supply their own ammunition when they go into that line of education.	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.
68.	Do ammo vendors need to be licensed at each location? What is you are selling ammunition at gun shows? What is you have the ammunition drop shipped at the gun show event and sell it all there? Would you need a license at each gun show location? What if you don't have a storefront?	<p>Yes, the sale of ammunition by a licensed vendor shall be conducted at the location specified in the license (Penal Code section 30348).</p> <p>However, according to Penal Code section 30348(c), a "gun show or event" is exempt from the requirement that the sale of ammunition be conducted at the location specified in the license.</p>
69.	How do you plan to regulate the rule that no employee without a COE can handle ammunition? What about the UPS driver that picks the ammo up off his truck, etc?	These regulations pertain only to the licensing of ammunition vendors. This comment pertains to the enforcement and not the licensing, therefore it is not within the scope of this regulatory submittal.

#	Summarized Comment	DOJ Response
70.	Is one license for each location going to be good for all the employees that handle the ammunition at that location? Or does the owner have to buy multiple licenses for each employee that is handling that ammunition? It should just be one license for the location to limit the cost.	Only one ammunition vendor license is needed for each location. Employees who will be handling, selling, delivering, or have under his or her custody or control any ammunition, will be required to obtain COEs but separate ammunition vendor applications are not needed.
Late Comments Received		
71.	<p>Do the authorization letters have expiration dates? Do we need a letter for each transaction? Do the orders have to be a certain quantity to qualify for a letter? Can we just keep one on file and call it good? Does “law enforcement” carry the same California Penal code definition as “peace officer?” etc.</p> <p>As a result of these concerns, we reached out to the AG’s office via phone and have received three different answers as to the intent of this exclusions. DOJ should provide definitive clarity as to the AG’s intent/interpretation of Section 30312(c)(1) as well as the necessary actions an out-of-state ammunition vendor must take in order to maintain state compliant.</p>	These regulations pertain only to the licensing of ammunition vendors – not the purchase of ammunition. The substance of the comment is therefore not within the scope of this regulatory submittal.
72.	What is the time schedule, or estimated time schedule, for completion and promulgation of the ammunition vendor licensing regulations? Does the Department have any planned revisions to the regulations as currently proposed?	The Department will implement the ammunition vendor regulations as soon as reasonably possible. The Department does not plan any additional revisions to these regulations.

ALPHABETICAL LIST OF COMMENTERS

Last Name	First Name	Comments	Delivery Method
A.	Danny	7, 8	Email
Arebalo	Dave	8	Email
Arriola	Andrew	1	Email
Arthur	John	1, 8	Email
B.	David (protectthefaith@gm	1, 7	Email
Barnes	Keven	7	Email
Bass	Leonard	1, 8	Email
Beguelin	Mike	1, 7	Email
Beltrami	Bart	8, 10	Email
Bouck	Guy	7, 8	Email
Bowhunter	Willie (Willie96021@yahoo	1	Email
Brown	Matthew	1, 7, 8	Email
Browning	Robert	1	Email
Bruno	Terry	1, 7	Email
Buhrer	Mike	1, 8	Email
Cervantes	Jesus	1, 7, 8	Email
Clark	S. (SClark10541@aol.com)	7, 8, 9	Email
Clark	Logan	8	Email
Coelho	Randy	1, 8, 10	Email
Curtis	John	1, 7, 8, 9	Email
Dameron	Charlie	1, 13	Email
Davies	John	1, 8	Email
Day	Alan	Irrelevant	Email
Day	Alan	8	Email
DeLuz	Craig	13, 26	Email
DeLuz	Craig	46	Public Cmt
Dinwiddie	Robert	1, 6, 8, 27	Email
Dominguez	Dean	7	Email
Dooley	Chris	49, 50	Email
Dragoo	Not Provided (rdragoo@ya	1	Email
Dutil	Don	29	Email
Elam	Rich	1, 8, 15	Email
Erwin	Carl	6, 7, 8	Email
Falvo	Edward	8	Email

Last Name	First Name	Comments	Delivery Method
Firchow	Gus	7, 8	Email
Fodran	Blaine	1, 6	Email
Fowler	Rick	7	Email
Furry	Fred	1, 7, 8	Email
Gallinatti	Dean	1	Email
Garrison	Aarin	1, 8, 9, 10, 11	Email
Green	Paul	1	Email
Green	Paul	1, 8, 9, 23	Email
Grubbs	David/Linda	24	Email
Haverkamp	Jerry	53	Email
Haverrampt	Jerry	2, 3, 70	Public Cmt
Hepner	Richard	Irrelevant	Email
Heuer	Ruth	6, 8, 10	Email
Hom	Brendon	1, 7, 8	Email
Hoyt	Michael	8	Email
IdeaMachine	(IdeaMachinelm@gmail.co	7, 8, 23	Email
Istre	Grady	1, 8	U.S. Mail
Jacobo	Daniel	1, 6, 8, 17	Email
Jacobo Jr.	Rodrigo	1, 7, 8	Email
Jennings	Dave	8, 9	Email
Jester	Daniel	8	Email
Johnson	Chris	13	Email
Junkel	Paul	1, 8	Email
Karr	Bill	1, 7	Email
Kim	Gary	3	Email
Kim	David	8	Email
Krupnak	Michael	1	Email
Kuempel	Josh	6, 8, 31, 32	Email
Lee	Stephen	1	Email
Lynch	Kathy	45, 46, 51, 64, 65, 67	Public Cmt
mac Gill	Aebe	1	Email
Mailloux	Barbara	1, 6, 23	Email
Maple	Eric	1, 7	Email
Martin	Greg	1, 2, 4, 5	Email

Last Name	First Name	Comments	Delivery Method
McNab	Christy	33, 34	Email
McNab	Christina	11, 17, 35, 36, 37, 38, 39, 40, 41, 42, 43,	Email
McNamee/Giotton	Lisa/Don	45, 46, 47, 48	Email
Menotti Jr.	James	1, 21, 26, 30	Email
Meyers	William	1, 13	Email
Miller	Don	1, 7, 13, 21, 25	Email
Moffa	Jared	54, 55, 56, 57	Email
Morency	Tom	1, 12	Email
Morse	Timothy	1, 6, 8, 9, 14	Email
Mortensen	Don	14	Email
Myers	Guy	61, 68, 69	Public Cmt
Neale	Bob	7	Email
Not Provided	Rick	8	Email
Not Provided	Steve (hti@socal.rr.com)	18	Email
Nunes	Michael	1	Email
Okamura	Dean	6, 7, 28	Email
Orr	Shawn	6	Email
Ortiz	Josh	8, 10	Email
Pamplin	Jim	1, 7	Email
Papasergia	Pat	1, 7, 8	Email
Pappas	Harold	1	Email
Paredes	Sam	66	Public Cmt
Pipkins	Jeff	1, 8, 16, 21	Email
Rana	Atif	1, 8	Email
Reed	Dan	54, 58, 59, 60, 61, 62	Public Cmt
Ringgenberg	Keith	45, 46, 47, 48	Email
Rundle	Donovan	7	Email
Sandoval	Brenda	1, 8	Email
Santos	Trevor	45, 46, 47, 48, 49	Email
Sargeant	Steve	1	Email
Sargentini	Vince	2	Email
Schroer	Jerry	1, 6, 7, 22	Email
Selvy	David	Irrelevant	Email
Shenton	Thomas	6, 10, 18, 19	Email

Last Name	First Name	Comments	Delivery Method
Silvoso	Joseph	54, 58, 59, 60, 61, 62	U.S. Mail
Stewart	Phil	7, 10	Email
Stice	Lawrence	1	Email
Sutton	Robert	6, 8, 17	Email
Swanson	Christian	1, 7, 8	Email
Taylor	Eric	1, 26	Email
Templeton	Robert	45, 46, 47	Email
Tucker	Matt	1, 7	Email
Upholt	Gerald	46, 47, 48, 49, 50, 54	Public Cmt
Valgos	Michael	Irrelevant	Email
Vasapolli	James	1, 7, 8	Email
Walker	Randy	45, 46, 47, 48	Email
Walsh	Mike	44, 45, 49, 50, 51, 52	Email
Walsh	Mike	63	Public Cmt
Walsh	Jon	33, 59	Public Cmt
Weller	Micah	1, 8, 14, 20	Email
Wood	Walter	1, 6, 7	Email
York	Charles	1, 6, 7, 10	Email
Late Comments Received			
Eskuchen	Kurt	71 (Late Comment)	Email
Upholt	Gerald	72 (Late Comment)	Email

SECTION 11

ECONOMIC AND FISCAL IMPACT STATEMENT (FORM 399)

ECONOMIC AND FISCAL IMPACT STATEMENT**(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT (CONTINUED)**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☒ 1. Additional expenditures in the current State Fiscal Year. (Approximate)\$ 43,669*It is anticipated that State agencies will:*☒ a. Absorb these additional costs within their existing budgets and resources.☐ b. Increase the currently authorized budget level for the _____ Fiscal Year☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

☐ 3. No fiscal impact exists. This regulation does not affect any State agency or program.☒ 4. Other. Explain As indicated on the attachment, the expenditures for the current fiscal year and the two subsequent years will be \$43,669 each year. These costs will be covered by the \$198 annual fee imposed on ammo vendors.**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.☐ 4. Other. Explain _____

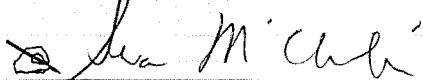
FISCAL OFFICER SIGNATURE



DATE

11-15-17*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY



DATE

11-30-17*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER



DATE

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Justice	CONTACT PERSON Jacqueline Dosch	EMAIL ADDRESS jacqueline.dosch@doj.ca.gov	TELEPHONE NUMBER 916 227-5419
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Ammunition Vendor Licensing			NOTICE FILE NUMBER Z 2017-0703-1

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- | | |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements |
| <input checked="" type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input checked="" type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input type="checkbox"/> h. None of the above (Explain below): |

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*

Department of Justice

2. The _____ estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- ☒ Below \$10 million
- ☐ Between \$10 and \$25 million
- ☐ Between \$25 and \$50 million
- ☐ Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 200-220Describe the types of businesses (Include nonprofits): 90% are Walmarts. The rest will be small bait & tackle shops, hardware stores, etc.Enter the number or percentage of total
businesses impacted that are small businesses: 10%4. Enter the number of businesses that will be created: 0 eliminated: 0Explain: \$198 annual fee insignificant to Walmart. Some of the others may stop selling ammo but will remain in business.5. Indicate the geographic extent of impacts: ☒ Statewide☐ Local or regional (List areas): _____6. Enter the number of jobs created: 0 and eliminated: 0

Describe the types of jobs or occupations impacted: _____

7. Will the regulation affect the ability of California businesses to compete with
other states by making it more costly to produce goods or services here?☐ YES☒ NO

If YES, explain briefly: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)**B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ \$43,669 +
- a. Initial costs for a small business: \$ 198 per year Annual ongoing costs: \$ 198 per year Years: n/a
- b. Initial costs for a typical business: \$ 198 per year Annual ongoing costs: \$ 198 per year Years: n/a
- c. Initial costs for an individual: \$ \$0 - \$5 per year Annual ongoing costs: \$ n/a Years: n/a
- d. Describe other economic costs that may occur: The total costs will be at least \$43,669 (state costs for .5 py). Additionally, there will be an undetermined cost on unlicensed persons who sell ammunition (up to \$5 or more per transaction).
2. If multiple industries are impacted, enter the share of total costs for each industry: n/a
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$ n/a
4. Will this regulation directly impact housing costs? ☐ YES ☒ NO
If YES, enter the annual dollar cost per housing unit: \$ _____
Number of units: _____
5. Are there comparable Federal regulations? ☐ YES ☒ NO
- Explain the need for State regulation given the existence or absence of Federal regulations: The proposed regulations are necessary for the issuance of ammunition vendor licenses in compliance with state laws regarding the sale of ammunition.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ n/a

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: Through the licensing of ammunition vendors, the proposed regulations will increase public safety throughout California by preventing convicted felons, the dangerously mentally ill, and other prohibited persons from acquiring ammunition.
2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?
Explain: Pursuant to PC section 30385, DOJ is required to establish regulations for the issuance of ammo vendor licenses.
3. What are the total statewide benefits from this regulation over its lifetime? \$ Benefit unquantifiable
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: n/a

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No alternatives were considered because pursuant to PC section 30390(a), the department is statutorily mandated to establish a "reasonable fee sufficient to reimburse the department for the reasonable, estimated costs of administering the license program."

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ See C1-C3 Cost: \$ See B1Alternative 1: Benefit: \$ n/a Cost: \$ n/aAlternative 2: Benefit: \$ n/a Cost: \$ n/a

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

n/a

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?

☐ YES☒ NOExplain: Regulations do not mandate the use of specific technologies or equipment, or prescribe specific actions or procedures.**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.****California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.***

1. Will the estimated costs of this regulation to California business enterprises
- exceed \$10 million?**
- ☐
- YES
- ☒
- NO

If YES, complete E2. and E3***If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

☐ YES☒ NO*If YES, agencies are required to submit a **Standardized Regulatory Impact Assessment (SRIA)** as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: n/aThe incentive for innovation in products, materials or processes: n/a

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: _____

Increased public safety as specified in the response to question C1 on the previous page.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

- ☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

- ☐ a. Funding provided in _____
Budget Act of _____ or Chapter _____, Statutes of _____

- ☐ b. Funding will be requested in the Governor's Budget Act of _____
Fiscal Year: _____

- ☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

- ☐ a. Implements the Federal mandate contained in _____
- ☐ b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

- ☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

- ☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

- ☐ e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

- ☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

- ☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

- ☐ 3. Annual Savings. (approximate)

\$ _____

- ☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

- ☒ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

- ☐ 6. Other. Explain _____

STD. 399 FORM ATTACHMENT

Penal Code section 30390(a) authorizes the Department of Justice to “charge ammunition vendor license applicants a reasonable fee to reimburse the department for the reasonable, estimated costs of administering the license program.”

Annual Costs (one, part-time (.5 PY) Staff Services Analyst)

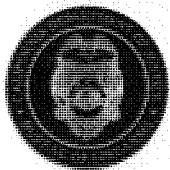
	BY 2017/18	BY 2018/19	BY 2019/20
<u>Personal Services</u>			
Salary	\$21,546	\$21,546	\$21,546
Staff Benefits	\$10,657	\$10,657	\$10,657
Total Personal Services	\$32,203	\$32,203	\$32,203
<u>Operating Expenses & Equipment (OE&E)</u>			
Standard Complement on-going	\$ 6,920	\$ 6,920	\$ 6,920
Departmental Services	\$ 4,546	\$ 4,546	\$ 4,546
Total Operating Expenses and Equipment (OE&E)	\$11,466	\$11,466	\$11,466
Total Estimated Expense (Personal Services + OE&E)	\$43,669	\$43,669	\$43,669

Ammunition Vendor License Fee Calculation

\$43,669 (costs) divided by 220 vendors (non firearms dealer) = \$198 annual fee

SECTION 12

FORMS INCORPORATED BY REFERENCE



ADOPT
CALIFORNIA DEPARTMENT OF JUSTICE
BUREAU OF FIREARMS
Application for
Ammunition Vendor License (Non-Firearms Dealer)



Part A - Ammunition Vendor or Business Entity Information

Ammunition Vendor or Business Entity Name

Street Address City County State Zip Code

Mailing Address (if different) City County State Zip Code

Business Email Address Telephone Number Fax Number

Hours of Operation

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
_____ to _____, _____ to _____, _____ to _____, _____ to _____, _____ to _____, _____ to _____, _____ to _____						

Local Ammunition Vendor Licensing Authority (issuer of local business license)

Local Law Enforcement Agency (police or sheriff's department)

Please indicate the type of business ownership:

- | | | |
|---|--|--|
| <input type="checkbox"/> Individual Owner/Sole Proprietor | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Corporate Ownership |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Liability Partnership |

OPTIONAL: Please provide the name, title, address, phone number, and email address of the applicant's agent for service of process in the State of California.

Name Title

Street Address City County State Zip Code

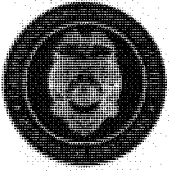
Email Address Telephone Number Fax Number

OPTIONAL: Please provide the name, title, address, phone number, and email address of the person to contact for clarification of information provided in this application package:

Name Title

Street Address City County State Zip Code

Email Address Telephone Number Fax Number



ADOPT
CALIFORNIA DEPARTMENT OF JUSTICE
BUREAU OF FIREARMS
Application for
Ammunition Vendor License (Non-Firearms Dealer)



Part B - Ammunition Vendor Licensee Information

Licensee Name/Responsible Party (as it appears on California driver license or identification card)

Certificate of Eligibility (COE) Number

COE Expiration Date

Federal Firearms License (FFL) Number (If applicable)

FFL Expiration Date

Local Business License (LBL) Number

LBL Expiration Date

Other Local License (OLL) Number

OLL Expiration Date

California Board of Equalization Seller's Permit Number

Part C - Additional Ammunition Vendor Licensee(s)

Please complete this section if there is more than one licensee/responsible party with a COE and LBL for the Ammunition Vendor listed above.

Licensee Name/Responsible Party (as it appears on California driver license or identification card)

COE Number

COE Expiration Date

Licensee Name/Responsible Party (as it appears on California driver license or identification card)

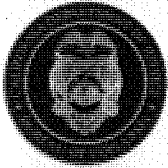
COE Number

COE Expiration Date

Licensee Name/Responsible Party (as it appears on California driver license or identification card)

COE Number

COE Expiration Date



ADOPT
CALIFORNIA DEPARTMENT OF JUSTICE
BUREAU OF FIREARMS
Application for
Ammunition Vendor License (Non-Firearms Dealer)



Part D - Employee Certificate of Eligibility Information

Please complete this section for every employee with a COE who will be handling, selling, delivering, or have under his/her custody or control any ammunition.

Employee Name (as it appears on California driver license or identification card) _____

COE Number _____

COE Expiration Date _____

Employee Name (as it appears on California driver license or identification card) _____

COE Number _____

COE Expiration Date _____

Employee Name (as it appears on California driver license or identification card) _____

COE Number _____

COE Expiration Date _____

Part E - Certification

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Printed Name of Licensee/Responsible Party listed in Part B _____

Signature _____

Date _____

Printed Name of Licensee/Responsible Party listed in Part C _____

Signature _____

Date _____

Printed Name of Licensee/Responsible Party listed in Part C _____

Signature _____

Date _____

Printed Name of Licensee/Responsible Party listed in Part C _____

Signature _____

Date _____

Part F - Fees

Ammunition Vendor License Annual Fee:

\$198

Please make a check or money order payable to the Department of Justice. Mail check and completed application to the below address:

Department of Justice
Bureau of Firearms - Ammunition Vendor Licensing Unit
P.O. Box 160487
Sacramento, CA 95816-0487



ADOPT

Application for Ammunition Vendor License (Non-Firearms Dealer) INSTRUCTIONS



Application Requirements

Applications for an ammunition vendor license must be typed or printed in ink. Incomplete applications will not be processed and will be returned with all required fees. Applications must be accompanied by copies of the Federal Firearms License (FFL) (if applicable), Local Business License (LBL), the Board of Equalization's Seller's Permit for each individual identified as a licensee in conjunction with the business, and a listing of all employees with a certificate of eligibility (COE). If you have any questions, please contact the Bureau of Firearms at (916) 227-2665.

Part A - Ammunition Vendor or Business Entity Information

- Provide the ammunition vendor or business entity name, telephone number, fax number, physical location, mailing address, and business email address. The physical location information is frequently different when a post office box or a rural route number is used as the mailing address.
- Provide type of business ownership.
- Name, title, address, phone number, and email address of the applicant's agent for service of process in the State of California. Please reference weblink <http://www.sos.ca.gov/business-programs/business-entities/service-process/> for more information regarding service of process.
- Name, title, address, phone number, and email address of the person to contact for clarification of information provided in this application package.
- Provide the ammunition vendor's hours of operation for each day of the week listed, using hh:mm AM/PM format.
- Provide the local ammunition vendor licensing authority's name, along with the name of the police or sheriff's department that is responsible for law enforcement protection in your community. The local licensing authority is the local department or bureau that issues the local business license in your jurisdiction.

Part B - Ammunition Vendor Licensee Information

- Provide the licensee name/responsible party as it appears on his/her California driver license or identification card, along with their corresponding (COE), (FFL) (if applicable), and (LBL), numbers and expiration dates. The Board of Equalization Seller's Permit number must also be provided.

Part C - Additional Ammunition Vendor Licensees

- Each additional licensee/responsible party who is listed on the FFL (if applicable), LBL, and Board of Equalization Seller's Permit, and who desires to be identified as a responsible party for this business must also provide his/her name as it appears on their California driver license or identification card along with their corresponding COE number and expiration date. Part C may be copied to accommodate as many additional licensees as necessary.

Part D - Employee Certificate of Eligibility Information

- For each agent or employee who has access to ammunition for this business, the licensee must provide the agent's or employee's name as it appears on their California driver license or identification card along with their corresponding COE number and expiration date. Part D may be copied to accommodate as many additional employees as necessary.

Part E - Signatures

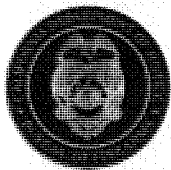
- The licensee(s) must sign and date the certification statement affirming the information provided is true and correct. Part E may be copied to accommodate as many additional signatures as necessary.

Part F - Fees

- The ammunition vendor license fee is \$198.
- Make check or money order payable to the Department of Justice for the appropriate remittance. Attach the check or money order to the lower right margin of the form.
- Mail the completed application, remittance and required documentation to the below address:

Department of Justice
Bureau of Firearms - Ammunition Vendor Licensing Unit
P.O. Box 160487
Sacramento, CA 95816-0487

Allow 30 business days for processing initial applications.



Privacy Notice

As Required by Civil Code § 1798.17

Collection and Use of Personal Information: The Division of Law Enforcement in the Department of Justice collects the information requested on this form as authorized by Penal Code section 30385. The Division of Law Enforcement uses this information to establish grounds for the issuance of the license or permit indicated on this application. In addition, any personal information collected by state agencies is subject to the limitations in the Information Practices Act and state policy. The Department of Justice's general privacy policy is available at <http://oag.ca.gov/privacy-policy>.

Providing Personal Information: All the personal information requested in the form must be provided. If you fail to provide any of the required personal information, the unprocessed report will be returned to you for completion and resubmission.

Access to Your Information: You may review the records maintained by the Division of Law Enforcement in the Department of Justice that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

Possible Disclosure of Personal Information: In order to ensure you are not prohibited and establish grounds for the issuance of the license or permit indicated on this application, we may need to share the information you give us with entities as authorized in Penal Code section 11105. The information you provide may also be disclosed in the following circumstances:

- With other persons or agencies where necessary to perform their legal duties, and their use of your information is compatible and complies with state law, such as for investigations or for licensing, certification, or regulatory purposes;
- To another government agency as required by state or federal law.

Contact Information: For questions about this notice or access to your records, you may contact the Staff Services Analyst in the Customer Support Center at (916) 227-7527, via email at firearms.bureau@doj.ca.gov, or by mail at P.O. Box 160487, Sacramento, CA 95816-0487.

ADOPT

**CALIFORNIA DEPARTMENT OF JUSTICE
Ammunition Vendor Licensing Unit
Ammunition Vendor License Renewal Fee Transmittal**

<Business Name>

Vendor:

<Address>

<City, CA Zip>

Total Annual Fee:

Instructions

Make any business information changes next to the line number that requires correction. If no changes are made, indicate no change by checking the appropriate box. All licensees must sign and date the renewal form. Submit the signed form and fee to:

**Department of Justice
Bureau of Firearms – Ammunition Vendor Licensing Unit
P.O. Box 160487
Sacramento, CA 95816-0487**

1. Ammunition Vendor/Business Information:

- a. Ammunition Vendor Number
- b. Business Telephone Number
- c. Business Fax Number
- d. Physical Address
- e. Mailing Address (if different)
- f. Business Email Address

2. Days and Hours of Operation

3. Business Type

4. Agent for Service of Process Information:

- a. Name
- b. Title
- c. Physical Address
- d. Telephone Number
- e. Email Address

5. Alternate Contact Person Information:

- a. Name
- b. Title
- c. Physical Address
- d. Telephone Number
- e. Email Address

6. Local Business License Authority

7. Local Law Enforcement Agency

**CALIFORNIA DEPARTMENT OF JUSTICE
Ammunition Vendor Licensing Unit
Ammunition Vendor License Renewal Fee Transmittal**

8. Ammunition Vendor Licensee(s) Information

- a. Names(s)
- b. Certificate of Eligibility Number(s)
- c. Federal Firearms License Number (if applicable)
- d. Local Business License Number
- e. Other Local License Number (if applicable)
- f. California Board of Equalization Sellers Permit Number

9. Employee of Certificate of Eligibility Information

- a. Names(s)
- b. Certificate of Eligibility Number(s)
- c. Certificate of Eligibility Expiration Date

☐ **No changes**

Printed Name: _____ **Signature:** _____ **Date:** _____

Printed Name: _____ **Signature:** _____ **Date:** _____

Printed Name: _____ **Signature:** _____ **Date:** _____

Printed Name: _____ **Signature:** _____ **Date:** _____

Allow 20 business days to process the renewal.

*Please note: Not receiving a renewal notice does not remove a vendor from responsibility of
timely payment.*