

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-2018-0227-01	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

RECEIVED DATE PUBLICATION DATE

FEB 27 '18

MAR 09 '18

Office of Administrative Law

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY

Department of Justice

AGENCY FILE NUMBER (If any)

DOJ-17-018

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

1. SUBJECT OF NOTICE Certificates of Eligibility		TITLE(S) 11	FIRST SECTION AFFECTED 4030	2. REQUESTED PUBLICATION DATE 03/09/2018
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Audrey Durfor		TELEPHONE NUMBER (916) 227-7615
FAX NUMBER (Optional)		NOTICE REGISTER NUMBER		PUBLICATION DATE
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn			

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"/> 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 Resubmittal of disapproved or withdrawn nonemergency filing (Gov.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"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<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.

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 to the Attorney General

NOTICE OF PROPOSED RULEMAKING

Notice to be published on March 9, 2018

The Department of Justice (Department) proposes to repeal sections 4032, 4033, 4034, 4035, amend sections 4030, 4031, renumber and amend sections 4036, 4037, 4039, 4040, 4041, and adopt new sections 4032, 4032.5, 4033, 4034, 4035, 4038 of title 11, division 5, Chapter 3, of the California Code of Regulations concerning Non-Dealer Sales or Transfers of Firearms through Licensees or Dealers and Issuance of Certificates of Eligibility, 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. The hearing will be held on April 27, 2018, at 10:00 am, 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 April 27, 2018. Only comments received by that time will be considered. Written comments must be submitted to:

Audrey Durfor
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Phone: 916-227-7615
Email: COEregs@doj.ca.gov

AUTHORITY AND REFERENCE

Authority: Sections 11105 and 26710, Penal Code.

Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16140, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

Repeal: The Department proposes to repeal content in sections 4032, 4033, 4034, and 4035 of title 11, division 5, Chapter 3, of the California Code of Regulations concerning Non-Dealer Sales or Transfers of Firearms through Licensees or Dealers.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Laws and Regulations

This rulemaking action clarifies and makes specific the Certificate of Eligibility (COE) requirements and process for initial and renewal application submission with the Department.

Penal Code section 26710 authorizes the Department to issue COEs that certify the Department has checked its records and determined the recipients are not prohibited from acquiring or possessing firearms at the time the firearms eligibility criminal background check was performed. The Department is authorized to adopt regulations to administer the program and shall recover the full cost of the administration by imposing applicant fees. Penal Code section 11105 authorizes the Department to require the submission of fingerprints for conducting summary criminal history information checks that are authorized by law.

Pursuant to Penal code section 28060, the Bureau of Firearms is authorized to develop regulations regarding the sale or transfer of a firearm between persons who do not possess a California Firearms Dealer license.

The regulations proposed in this rulemaking action would do the following:

California Code of Regulations, Title 11, Division 5, Chapter 3

Section 4030 has been amended to repeal the portion of the regulation pertaining to the transfer of firearms as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms.

Section 4031 has been amended to repeal the key terms pertaining to the transfer of firearms as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms. Key terms related to Certificates of Eligibility were added.

Section 4032 has been repealed as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of

firearms. This section now renumbers and amends section 4036, specifying the qualifications required to obtain a COE.

Section 4032.5 has been added to specify that COE applicants must submit fingerprints to the Department for a firearms eligibility background check. This section also establishes the live scan operator process, where the applicant's fingerprints are electronically captured and transmitted. This section specifies that out-of-state applicants may have their fingerprints taken manually at a local law enforcement agency in their state of residence and details the fees and mailing address for sending payment.

Section 4033 has been repealed as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms. This section now establishes the process for creating a California Firearms Application Reporting System (CFARS) account, including the conditions of use and the required account information.

Section 4034 has been repealed as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms. This section now specifies that the Department may communicate with applicants and certificate holders via CFARS.

Section 4035 has been repealed as Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms. This section now details the steps for submitting an application once a CFARS account has been created, including the required applicant information and associated fees.

Section 4036 has been amended as the content related to qualifications will appear in section 4032. This section now specifies how certificate holders modify information associated with their COE, including any changes to a certificate holder's employment status.

Section 4037 has been amended as the content related to the application process will appear in section 4035. This section now specifies how to renew a COE, including the renewal period, required information, and payment process.

Section 4038 has been added and renumbers section 4039 and 4040, detailing the term of the COE and the initial and renewal application fees.

Section 4039 has been amended as the content relating to the term of a COE will appear in section 4038. This section now specifies how to cancel a COE via CFARS.

Section 4040 has been amended as the content relating to the fees will appear in section 4038. This section now renumbers and amends section 4041 detailing the applicant denial review process. The process was not changed. However, after the correction of records, the resubmission of an application will now be submitted via CFARS.

Section 4041 has been amended as the content relating to the applicant denial review process will appear in section 4040. This section now specifies the revocation process.

Anticipated Benefits of the Proposed Regulations

The broad objective of the regulation is to provide greater clarity on the COE application procedure and requirements. Revising the regulations will help ensure completion of applications and the accurate submission of information. The regulations provide applicants additional guidance on the live scan operator fingerprint process. The online account system, CFARS, will increase the efficiency of submitting the COE application, making any changes to required information, and processing the certificates. The proposed regulations also specify how to modify and cancel a COE, as well as the denial and revocation process, which are not detailed in the existing regulations.

The Department has found that the existing regulations regarding the private party transfer process were not necessary. Existing Penal Code sections explain the appropriate actions; therefore, the Department has chosen to repeal those regulations.

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 the Department proposes the repeal of sections 4032, 4033, 4034, and 4035 to eliminate duplication of Penal Code sections 26875, 28050, 28055, and 28060. The amendments proposed in sections 4030 and 4031 remove references pertaining to the transfer of firearms to eliminate duplication of existing Penal Code sections, as detailed above. The addition of new sections 4032, 4032.5, 4033, 4034, 4035 and 4038 is not inconsistent or incompatible with existing state regulations, but rather updates the existing regulations related to the COE application process. The renumbering and amendment of sections 4036, 4037, 4039, 4040, and 4041 is not inconsistent or incompatible with existing state regulations, but rather details a new process for the electronic submission of COEs.

Comparable Federal Regulations

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

Mandated by Federal Law or Regulations

The proposed regulations are not mandated by federal law or regulations.

Other Statutory Requirements

None

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: None.

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.

Significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: None.

Cost impacts on a representative private person or business: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

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 Analysis

The Department has concluded that the adoption of the proposed regulation will not:

- (1) Create or eliminate jobs within California;
- (2) Create new businesses or eliminate existing businesses within California; or
- (3) Affect the expansion of businesses currently doing business within California.

The Department has made a determination on items (1) through (3) based on the fact that the proposed regulations update the COE process to reflect the most current application requirements. There are no changes to the application fee, and the fees are paid for by the COE applicant.

(4) Benefits of the Proposed Regulations: Applicants will properly complete their fingerprint submission process and submit COE applications and changes through CFARS, thereby making the process more clear and efficient for the user and the Department.

Small Business Determination: The Department has determined the proposed regulations will not affect small business. This determination is based on the fact that the regulations propose no change to the application fee, and the fees are paid for by the COE applicant. Although the

regulations establish a process for fingerprint submission for out-of-state applicants, the out-of-state fee matches the already existing applicant fingerprint processing fee for in-state applicants.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention 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:

Audrey Durfor
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Email: COEregs@doj.ca.gov
Telephone: (916) 227-7615

The back up contact person for these inquiries is:

Jacqueline Dosch
Bureau of Firearms
Division of Law Enforcement
Department of Justice
P.O. Box 160487
Sacramento, CA 95816-0487
Email: COEregs@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 Department website at <http://oag.ca.gov/firearms>. Copies may also be obtained by contacting Audrey Durfor.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

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

AVAILABILITY OF FINAL STATEMENT OF REASONS

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

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 Department website at <http://oag.ca.gov/firearms>.

California Code of Regulations

Title 11, Division 5

Chapter 3. ~~Non-Dealer Sales or Transfers of Firearms Through Licensees or Dealers and Issuance of Certificates of Eligibility~~

Article 1. General

§ 4030. Scope.

The provisions of these regulations apply to ~~sales and other transfers of firearms, as defined in subdivision (a) of section 4031, by individuals through dealers pursuant to Penal Code sections 28050 through 28070, and to the issuance of Certificates of Eligibility by the Department of Justice (DOJ) to persons described in Penal Code sections 16800, 26525, 26585, 26700, and 26710~~ any person required by statute or regulation to obtain a Certificate of Eligibility from the Department of Justice pursuant to Penal Code section 26710.

Note: Authority cited: Sections ~~16800, 26525, 26585, 26700, 26710 and 28060~~, Penal Code.
Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16520, 16140, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27005, 27200, 27535, 27545, 27670, 27966, 28050, 28055, 28060, 28065, 28070, 28450, 29050, 29120, 30314, 30347, 30370, 30312 and 31700, Penal Code.

Article 2. Definitions

§ 4031. Definition of Key Terms.

- (a) ~~The term “firearm” means any firearm within the definition of Penal Code section 16520.~~
- (b) ~~The term “dealer” means a person having a valid license to sell firearms issued pursuant to Penal Code section 26700.~~
- (c) ~~The term “section 28050 transaction” means the transfer of a firearm as provided in Penal Code section 28050.~~
- (d) ~~The term “transferor” means any person who wishes to sell or otherwise transfer a firearm through a dealer pursuant to Penal Code section 28050.~~
- (e) ~~The term “transferee” means any person who wishes to acquire a firearm in a transaction pursuant to Penal Code section 28050.~~
- (f) ~~The term “personal information” means personal information as defined in Civil Code section 1798.3.~~
- (g) ~~The term “Certificate of Eligibility” means a certificate which states that the DOJ has checked its records and determined that the applicant is not prohibited from acquiring or~~

possessing firearms pursuant to Penal Code sections 29800, 29805, 29815 through 29825, and 29900, and Welfare and Institutions Code sections 8100 and 8103, or Title 27, Part 478.32 of the Code of Federal Regulations at the time the check was performed.

(h) (a) ~~The term “a~~Applicant” means a person applying to obtain a Certificate of Eligibility.

(b) “California Ammunition Vendor” or “CAV” means an individual with a valid ammunition vendor license issued pursuant to Penal Code section 30342.

(c) “California Firearms Dealer” or “CFD” means a person having a valid license to sell firearms issued pursuant to Penal Code section 26700.

(d) “Certificate of Eligibility” means a certificate which states that the Department has checked its records and the records available to the Department in the National Instant Criminal Background Check System and determined that the applicant is not prohibited from acquiring or possessing firearms pursuant to Penal Code sections 29800, 29805, 29815 through 29825, and 29900, or Welfare and Institutions Code sections 8100 and 8103, or Title 18, sections 921 and 922 of the United States Code, or Title 27, Part 478.32 of the Code of Federal Regulations at the time the check was performed and which ensures that a person who handles, sells, delivers, or has under his or her custody or control any ammunition, is eligible to do so pursuant to Penal Code section 30347.

(e) “Certificate Holder” means a person who obtains a valid Certificate of Eligibility.

(f) “CFARS” means California Firearms Application Reporting System.

(g) “COE” means Certificate of Eligibility.

(h) “Department” means the California Department of Justice.

Note: Authority cited: Sections ~~16800, 26525, 26585, 26710 and 28060~~, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections ~~16520, 16140, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 28050, 28055, 28060, 28065, 28070, 29050, 29120, 29800, 29805, 29815, 29820, 29825, and 29900, 30312, 30314, 30342, 30347, 30370, and 31700~~, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; ~~Section 1798.3, Civil Code; and Title 18, Sections 921 and 922, United States Code; and Title 27, Parts 478.32 and 478.41, Code of Federal Regulations.~~

Article 3. ~~Transfers~~ Certificate of Eligibility

§ 4032. ~~Transfers of Concealable Firearms. Qualifications.~~

~~Except as provided in Penal Code sections 27600 through 27615, and 27850 through 27965, no person shall sell, lease or transfer any firearm to a person who is not a dealer unless the transaction is processed by a dealer pursuant to Penal Code section 28050.~~

Note: Authority cited: Sections 27545 and 28060, Penal Code. Reference: Sections 26700, 26710, 27535, 27545, 27600, 27605, 27610, 27615, 27850, 27855, 27860, 27865, 27870, 27875, 27880, 27885, 27890, 27895, 27900, 27905, 27910, 27915, 27920, 27925, 27930, 27935, 27940, 27945, 27950, 27955, 27960, 27965, 28050 and 28060, Penal Code.

(a) Applicant must be at least 18 years old.

(b) Applicant must not be in a class of persons described in Penal Code sections 29800, 29805, 29815 through 29825, 29900, or Welfare and Institutions Code section 8100 or 8103, or Title 18, sections 921 and 922 of the United States Code, or Title 27, Part 478.32 of the Code of Federal Regulations.

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30347, 30370, and 31700, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

§ 4032.5 Fingerprint Submission

Applicants for a new Certificate of Eligibility (COE) shall submit fingerprints for a COE to the Department for a firearms eligibility background check.

(a) Except as provided in subdivision (b), fingerprints shall be captured and transmitted electronically by an authorized live scan operator.

(1) The applicant shall complete a Request For Live Scan Service form prescribed by the Department which will require the following applicant information: full name, any alias name, date of birth, sex, driver license number, height, weight, eye color, hair color, place of birth, social security number, and home address. The applicant shall take the completed form to a live scan operator who shall confirm the applicant's identification, input the applicant's personal descriptor information, capture the applicant's fingerprints electronically, and transmit the data to the Department.

(2) The applicant shall pay the live scan operator a \$49 fingerprint processing fee, the \$22 COE application fee as specified in section 4038 of these regulations, and the live scan operator's fee (fee is determined by live scan operator and is not regulated by the Department).

(3) The live scan operator will provide the applicant with an applicant transaction identifier (ATI) number. The applicant shall provide the COE ATI number when completing the electronic COE application as specified in subdivision (b) of section 4035 of these regulations.

(b) Out-of-state applicants may have their fingerprints taken manually at a local law enforcement agency in their state of residence in lieu of completing a California live scan.

(1) At least one completed fingerprint card, a \$49 fingerprint processing fee, and the \$22 COE application fee, as specified in section 4038 of these regulations, are required. Check or money order shall be mailed to the Department of Justice at the following address:

Department of Justice
Bureau of Firearms
Licensing and Certification of Eligibility Section – COE Unit
P.O. Box 160487
Sacramento, CA 95816-0487

Note: Authority cited: Sections 11105 and 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825 29900, 30312, 30314, 30347, 30370, and 31700, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

§ 4033. ~~Criteria for Processing Section 28050 Transactions.~~ California Firearms Application Reporting System; Account Requirements.

(a) ~~All dealers shall process a section 28050 transaction upon the request of the transferor. All such requests shall:~~

(1) ~~Be in writing and contain all of the terms of the transaction, and~~

(2) ~~Be signed by the transferor and the transferee.~~

(b) ~~Except as otherwise provided in Penal Code sections 28050 through 28070, a dealer shall process a section 28050 transaction in the same manner as if it were a dealer retail sale.~~

Note: Authority cited: Section 28060, Penal Code. Reference: Sections 26700, 26710, 26825, 27535, 27545, 28100, 28160, 28165, 28210 and 28215, Penal Code.

(a) COE applications shall be filed electronically using the Department’s California Firearms Application Reporting System (CFARS), at the following website:
<https://cfars.doj.ca.gov/login.do>.

(b) Applicants shall create an account to use CFARS. To create a CFARS account, COE applicants shall agree to the following conditions of use:

(1) Non-Liability: the Department is not responsible for, and will have no liability for, any hardware, software, information, or other items or any services provided by any persons other than the Department. Except as may be required by law, in no event shall either party be liable to the other or any third party, under any theory of liability, including,

but not limited to, any contract or tort claim for any cause whatsoever, for any indirect, incidental, special, or consequential damages, including loss of revenue or profits, even if aware of the possibility thereof.

(2) Authorization: the applicant is authorized to use CFARS for the purpose of reporting firearm information to the Department and/or submitting and managing a Certificate of Eligibility in order to comply with California firearm laws and regulations. If the applicant becomes aware of an unauthorized user obtaining access to the applicant's CFARS account, the applicant will notify the Bureau of Firearms immediately at (916) 227-7527, or via email at: firearms.bureau@doj.ca.gov.

(3) Fees: notwithstanding such notification, the applicant agrees the Department shall not be liable for transaction charges fraudulently incurred. It will be the applicant's responsibility to pay any charges. The Department will not provide refunds after the submission of a transaction.

(4) True and Accurate Information: all of the information the applicant submits to the Department through CFARS shall be true, accurate, and complete to the best of the applicant's knowledge.

(c) The following information shall be provided by the applicant to create a CFARS account:

(1) Full Name

(2) Email Address

(3) Three Security Questions and Answers

(4) Password

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30347, 30370, and 31700, Penal Code.

§ 4034. ~~Dealer Fees.~~ Service of Notices, Orders, and Communications.

All dealers shall display on the business premises where it can easily be seen, a schedule of fees for processing section 28050 transactions and, prior to processing, the dealer shall notify the parties of the specific fee(s) to be charged for the transaction. The dealer may also require payment of all fees prior to initiating a section 28050 transaction.

Note: Authority cited: Section 28060, Penal Code. Reference: Sections 28055 and 26875, Penal Code.

Except as otherwise provided by law or in these regulations, all notices, orders, and other communications from the Department may be sent to the applicant and/or certificate holder electronically via CFARS.

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30347, 30370, and 31700, Penal Code.

§ 4035. Confidentiality of Records. Applicant Information.

~~Except as otherwise provided in Penal Code sections 28210 and 28215, personal information obtained by dealers in compliance with those sections is confidential and shall not be disclosed by the dealer except in the manner provided in Civil Code section 1798.24 for the disclosure of personal information by government agencies.~~

~~Note: Authority cited: Section 28060, Penal Code. Reference: Section 1798.24, Civil Code.~~

(a) Once a CFARS account has been created, the initial application form for a COE is located on CFARS under the link “Certificate of Eligibility (COE).”

(b) Initial COE applicants shall electronically provide the following information to complete the application:

(1) Applicant’s full name; driver license type and number or California identification number; date of birth; residence street address; phone number; gender; ATI number; business type(s); United States citizenship; if not a United States citizen, the country of citizenship and the federal Alien Registration Number or federal I-94 number. The application shall also require additional information requesting responses to questions asking the applicant if he or she: 1) is a current COE holder; and 2) has submitted COE fingerprint impressions through a Live Scan provider, as required by section 4032.5 of these regulations.

(A) If applicant is applying for a COE as an employee of a California Firearms Dealer (CFD), applicant shall provide the name of the dealer, the dealer address, the dealer store number if applicable, the dealer’s CFD number, and the COE number provided by the employer.

(B) If applicant is applying for a COE as an employee of a California Ammunition Vendor (CAV), applicant shall provide the name of the ammunition vendor, the ammunition vendor address, the ammunition vendor store number if applicable, the vendor’s CAV number, and the COE number provided by the employer.

(C) If applicant is applying for a COE as an employee of both a CFD and a CAV, the applicant shall list only the CFD information as specified in subdivision (b)(1)(A) of this section.

(2) Applicant shall agree to the following Department Privacy Notice:

(A) Collection and Use of Personal Information: the Division of Law Enforcement, Bureau of Firearms in the Department of Justice collects the information requested as

authorized by Penal Code Section 26710. The Bureau of Firearms 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>.

(B) Providing Personal Information: all the personal information requested must be provided. If you fail to provide all personal information requested, your application will not be accepted.

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

(D) Possible Disclosure of Personal Information: in order to establish grounds for the issuance of the certificate, we may need to share the information you provide us with any Bureau of Firearms representative or other person designated by the Attorney General upon request. The information provided may also be disclosed in the following circumstances:

(i) With other persons or agencies when necessary to perform their legal duties, and their use of your information is compatible and complies with state law, such as for investigations, licensing, certification, or regulatory purposes;

(ii) To another government agency as required by state or federal law.

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

(3) Applicant shall agree to the following personal declaration:

(A) I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I expressly authorize the Department of Justice (DOJ) to perform firearms eligibility checks of all relevant state and federal databases. I further understand that if I knowingly furnish a fictitious name or address or knowingly furnish any incorrect information or omit any information required to be provided on this application, I am guilty of a misdemeanor.

(c) Applicant shall submit fingerprints for a COE to the Department for a firearms eligibility background check as specified in section 4032.5 of these regulations before submitting the electronic application.

(d) Applicant shall submit the appropriate COE fees as specified in subdivision (b)(1) of section 4038 of these regulations to the live scan operator before submitting the electronic application.

Note: Authority cited: Sections 11105 and 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code; and Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

Article 4. Certificate of Eligibility

§ 4036. Qualifications: Modifications to Applicant Information

~~(a) Applicant must be at least 18 years old.~~

~~(b) Applicant must not be in a class of persons described in Penal Code sections 29800, 29805, 29815 through 29825, or 29900, or Welfare and Institutions Code section 8100 or 8103, or Title 27, Part 478.32 of the Code of Federal Regulations.~~

~~Note: Authority cited: Sections 16800, 26525, 26585 and 26710, Penal Code. Reference: Sections 16800, 26525, 26585, 26700, 26710, 27535, 27545, 29800, 29805, 29815-29825 and 29900, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; and Title 27, Part 478.32, Code of Federal Regulations.~~

(a) Any modifications to information required in subdivision (b) of section 4035 of these regulations shall be submitted to the Department via CFARS by clicking the link “View or Modify COE Details”.

(1) Any modifications to the certificate holder’s name, date of birth, gender, driver license type or identification number, or citizenship require the certificate holder to electronically upload documents verifying the change as prompted by CFARS.

(b) Any modifications to the employment status of a certificate holder of a CFD or CAV shall be reported via CFARS by both the employee and the CFD/CAV.

(1) A certificate holder shall make changes to his or her employment status via CFARS.

(A) To report employment, a certificate holder shall select “Report Employment” and shall enter the employer’s CFD/CAV number, business name, and business address.

(B) To terminate employment, a certificate holder shall select “Report Termination of Employment,” shall select the employment location, and shall agree to the following Department notification:

(i) This is to notify the DOJ that effective today, I am no longer associated with the aforementioned firearms dealership/ammunition vendor. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(2) A CFD and/or CAV shall make changes to the employment status of an employee by logging into the employer CFARS account and utilizing the links under the "Manage Employees" tab.

(A) To add an employee, a CFD/CAV shall select "Report Employment" and shall enter the employee's full name, COE number, identification number, and employment location.

(B) To terminate an employee, a CFD/CAV shall select "Report Termination of Employment," shall select the employment location and employee, and shall agree to the following Department notification:

(i) This is to notify the DOJ that as of the date stated on this form, this COE holder/employee is no longer associated with the aforementioned firearms dealership/ammunition vendor. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am the licensee of the aforementioned firearms dealership/ammunition vendor, and possess the authority to submit this form.

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code.

§ 4037. Application for Certificate of Eligibility. Renewal of Certificate.

~~(a) Applicant shall complete and submit an application form prescribed by the DOJ which will require the following information: name, address, date of birth, driver's license number, telephone number; business information, if applicable, to include business name, primary business address, and business telephone number. The application shall also require additional information requesting responses to questions asking the applicant if he or she: 1) has ever been convicted of a felony or an offense specified in Penal Code sections 23515, 29800, 29805, 29815 through 29825, or 29900; 2) is a mental patient or on leave of absence from a mental hospital; 3) has ever been adjudicated by a court to be a danger to self or others, found not guilty by reason of insanity of any crime, or found incompetent to stand trial for any crime, pursuant to Welfare and Institutions Code section 8103; or 4) is currently under a restraining order.~~

~~(b) Applicant shall also submit two current DOJ fingerprint cards (Form BID-7), with complete sets of fingerprints prepared by the DOJ, or any other agency which is qualified to provide fingerprinting services. For this purpose the DOJ shall make applicant fingerprint cards available~~

~~to local law enforcement agencies at no charge. This subdivision does not apply to applications for renewal of a Certificate of Eligibility.~~

~~(e) Applicant shall submit the appropriate Certificate of Eligibility fees as set forth in section 4040, subdivision (b), of these regulations.~~

~~Note: Authority cited: Sections 11105(i), 16800, 26525, 26585 and 26710, Penal Code.~~

~~Reference: Sections 16800, 26525, 26585, 26700, 26710, 27535, 27545, 29800, 29805, 29815, 29820, 29825 and 29900, Penal Code; and Sections 8100 and 8103, Welfare and Institutions Code; and Title 27, Part 478, Code of Federal Regulations.~~

(a) A COE shall be renewed prior to expiration in order to remain valid. Completed applications for a COE renewal shall be submitted electronically within 60 days prior to the expiration of the certificate.

(b) Application renewal shall occur through CFARS by clicking the link “Renew COE”. Applicants shall electronically provide the following information to complete the renewal application:

(1) Applicant’s full name; driver license type and identification number; email address; date of birth; residence street address; phone number; gender; United States citizenship; if not a United States citizen, the country of citizenship and the federal Alien Registration Number or federal I-94 number; business type(s).

(2) Applicant shall agree to the Department’s Privacy Notice as specified in subdivision (b)(2) of section 4035 of these regulations.

(c) Any changes to the required information shall be submitted to the Department via CFARS as specified in section 4036 of these regulations and can be modified at the time of renewal.

(d) Payment of renewal fees as specified in section 4038 of these regulations shall be submitted electronically via CFARS for the renewal application to be processed. Payment shall be made using a major credit card or debit card with a major credit card logo.

(e) A renewal occurring 90 days after the expiration of a COE will require the applicant to resubmit fingerprints for a COE to the Department for a firearms eligibility background check and the required fees, as described in section 4032.5 of these regulations, and submit a new COE application, as described in section 4035 of these regulations.

Note: Authority cited: Sections 11105 and 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code; and Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

§ 4038. Term and Fees.

(a) The term of a COE shall not exceed one year from the date issued or renewed.

(b) As authorized pursuant to Penal Code section 26710, subdivision (d), the Bureau of Firearms fees for a Certificate of Eligibility are as follows:

(1) Fee for initial application: \$22

(2) Fee for renewal application: \$22

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30347, 30370, and 31700, Penal Code.

§ 4039. ~~Term of Certificate of Eligibility.~~ Cancellation of Certificate.

~~The term of a Certificate of Eligibility shall not exceed one year from the date issued.~~

~~Note: Authority cited: Section 26710, Penal Code. Reference: Section 26710, Penal Code.~~

If a certificate holder wishes to cancel his or her COE before the term expires, he or she shall submit a cancellation notice via CFARS. To cancel a COE, the applicant shall click the link on CFARS titled “View or Modify COE Details” and then select the link “I Want to Cancel My COE.”

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code.

§ 4040. ~~Fees.~~ Applicant Denial Review Process

~~As authorized pursuant to Penal Code section 26710, subdivision (d), the Bureau of Firearms fees for a Certificate of Eligibility are as follows:~~

(a) ~~Fee for initial application: \$22~~

(b) ~~Fee for renewal application: \$22~~

~~Note: Authority cited: Section 26710, Penal Code. Reference: Sections 16800, 26710 and 29050, Penal Code; and Section 12101, Health and Safety Code.~~

(a) Applicant will receive a Notice of Denial through CFARS if the application is denied by the Department. The Notice shall specify all grounds on which the denial is based.

(b) Upon the denial of an application, the applicant may seek review of the records upon which the denial was based pursuant to Penal Code section 11121 and may seek to have those records changed pursuant to Penal Code section 11126. If within one year of the original application date, the applicant is successful in correcting the records to show that the applicant is not in any prohibited class of persons, the applicant may resubmit the application through CFARS without additional charge.

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 30312, 30314, 30347, 30370, and 31700, Penal Code.

§ 4041. Applicant Denial Review Process: Revocation, Reasons, and Process

~~Upon the denial of an application, the applicant may seek review of the records upon which the denial was based pursuant to Penal Code section 11121 and may seek to have those records changed pursuant to Penal Code section 11126. If within one year of the original application date, the applicant is successful in correcting the records to show that the applicant is not in any prohibited class of persons, the applicant may resubmit the application without additional charge.~~

~~Note: Authority cited: Sections 16800, 26525, 26585 and 26710, Penal Code. Reference: Sections 16800, 26525, 26585, 26700 and 26710, Penal Code.~~

(a) A certificate may be revoked anytime during the permit year when it is determined the certificate holder becomes prohibited from acquiring or possessing firearms, as specified in Penal Code sections 29800, 29805, 29815 through 29825, or 29900, or Welfare and Institutions Code section 8100 or 8103, or Title 18, sections 921 and 922 of the United States Code, or Title 27, Part 478.32 of the Code of Federal Regulations.

(b) The Department shall electronically provide the certificate holder with a Notice of Revocation through CFARS which shall specify all causes on which the revocation is based.

Note: Authority cited: Section 26710, Penal Code. Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16410, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30347, 30370, and 31700, Penal Code; and Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

Pursuant to Penal Code section 26710, the Department of Justice (Department) is authorized to issue Certificates of Eligibility (COE) that certify the Department has checked its records and determined the recipients are not prohibited from acquiring or possessing firearms at the time the firearms eligibility criminal background check was performed. A COE can be revoked, at anytime, if the COE holder becomes prohibited from owning/possessing firearms and ammunition. A COE is a prerequisite requirement for all prospective licensed firearms dealers, licensed ammunition vendors, manufacturers, certified instructors, gun show promoters, explosive permit holders, and other firearm related employment activities, including, effective January 1, 2018, any agent or employee of a vendor who handles, sells, or delivers firearms and ammunition.

Proposition 63, approved by the voters on November 8, 2016, requires any agent or employee of a vendor who handles, sells, or delivers firearms and ammunition to obtain a COE. As a result, the Department expects to receive an increased number of COE applications. Beginning in 2018, 6,000 initial COE applications and 7,440 renewal applications are expected each year. The purpose of these regulations is to update the Department's procedures for obtaining a COE in order to limit the number of incomplete/inaccurate applications and to more efficiently address the expected influx of applications resulting from Proposition 63.

The Department has found that the existing regulations do not provide the best explanation needed for applicants to complete their COE application. The regulations need to be updated to reflect the most current application requirements and process. The proposed regulations specify the process for fingerprint submission, creating an online account through the California Firearms Application Reporting System (CFARS), submitting an initial and renewal application, modifying applicant information, and cancelling a certificate. The certificate denial, revocation, and rejection process are also detailed more thoroughly. To process COEs effectively and efficiently, the Department must amend the current regulations to establish clear and updated guidelines for COE applicants and current certificate holders.

Pursuant to Penal Code section 28060, the Bureau of Firearms is authorized to develop regulations regarding the sale or transfer of a firearm between persons who do not possess a California Firearms Dealer (CFD) license.

These regulations repeal the sections pertaining to the transfer of a firearm between persons who do not possess a CFD. The Department found that the regulations were not necessary because Penal Code sections 26875, 28050, 28055, and 28060 sufficiently explain how both a CFD and the public shall perform a private party transfer of firearms.

ANTICIPATED BENEFITS FROM THE AMENDED REGULATIONS

These regulations will provide greater clarity on the fingerprint submission process and COE application procedures, which will increase the efficiency of submitting the application and processing the certificates. The regulations further detail the application requirements, which

will reduce the amount of COE applications that are incomplete due to missing or inadequate documentation.

The revised regulations also provide updated information and add specificity regarding the CFARS electronic reporting system. The online application eliminates the need to mail an application and forms to the Department to save the applicant time and resources. Applicants will now apply, renew, modify, or cancel their COE through the online application system, as well as report any change in employment with a firearms dealer or ammunition vendor. Applicants can use the online system to check the status of their application at any time, and business owners can confirm and track employee COE statuses. These changes will save time in processing applications and reduce the time and effort spent on correspondence when returning inadequate initial and renewal COE applications. With an expected increase in COE applications resulting from Proposition 63, the electronic system will also help the Department process the applications more efficiently.

Additionally, the Department has found that the existing regulations regarding the private party transfer process were not necessary. Existing Penal Code statutes sufficiently explain the appropriate actions, and therefore the Department has chosen to repeal those regulations.

PURPOSE AND NECESSITY

§ 4030. Scope

This section outlines the scope of the regulations. The language in this section regarding private party transfers of firearms has been repealed. Such language is not necessary as existing Penal Code statutes sufficiently explain the law related to private party transfers of firearms.

“DOJ” has been changed to “Department” for consistency throughout the regulations. This section was also reworded for clarity and to ensure the scope applies to all individuals required by statute or regulation to obtain a COE.

§ 4031. Definition of Key Terms

This section defines multiple terms used in these regulations. Existing subdivisions (a) through (f) of this section have been repealed as they primarily pertain to private party transfers. Existing Penal Code statutes sufficiently explain the law related to private party transfers of firearms.

New subdivision (a) adds the definition of “applicant.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (b) adds the definition “California Ammunition Vendor” or “CAV.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (c) adds the definition “California Firearms Dealer” or “CFD.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (d) rennumbers and amends existing subdivision (g). “DOJ” was changed to “Department” for consistency throughout the regulations. This term was also amended to

specify that a COE also ensures that a person who handles, sells, delivers, or has under his or her custody or control any ammunition, is eligible to do so. Pursuant to the passage of Proposition 63 (2016) and Penal Code section 30347, ammunition vendors, beginning January 1, 2018, shall require any agent or employee who handles ammunition to obtain a COE. The COE definition is amended to reflect this statutory change.

New subdivision (e) adds the definition of “certificate holder.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (f) adds the definition of “CFARS.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (g) adds the definition of “COE.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

New subdivision (h) adds the definition of “Department.” This term is discussed throughout Chapter 3 and this addition provides a clear definition of this term.

§ 4032. Qualifications

The section has been amended with the deletion of the “Transfers of Concealable Firearms” title and replaced with the “Qualifications” title. The amendment of the title is necessary to reflect the new content of this section.

The previous content of this section was repealed to remove all language regarding private party transfers. This section was repealed, as existing Penal Code statutes sufficiently explain the law related to private party transfers of firearms.

The new content of this section renumbers and amends existing section 4036 relating to qualifications.

§ 4032.5. Fingerprint Submission

This section was added to clarify how new COE applicants shall submit fingerprints to the Department as part of the application process. The current regulations do not stipulate the updated fingerprint transmission process through the live scan operator and the associated fees.

Subdivision (a)(1) through (3) explain the Request For Live Scan Service form and the process associated with the live scan. The addition of subdivision (a)(1) is needed so applicants can appropriately reference the required form and ensure they obtain all the required information. Subdivision (a)(2) is necessary to identify the live scan and COE related fees. Because the Department has switched to the electronic CFARS system, described in section 4033, subdivision (a)(3) is necessary to add reference to the applicant transaction identifier (ATI) number from the electronic COE application.

Subdivision (b) clarifies that out-of-state applicants may have their fingerprints taken manually at a local law enforcement agency in their state of residence and specify where these applicants mail their fingerprint and application fees. The current regulations do not have defined

requirements for out-of-state applicants, so the addition of subdivision (b) is necessary to clarify how out-of-state applicants can be fingerprinted and submit the associated fees, including the address for sending payment.

§ 4033. California Firearms Application Reporting System; Account Requirements

The section has been amended with the deletion of the “Criteria for Processing Section 28050 Transactions” title and replaced with the “California Firearms Application Reporting System; Account Requirements” title. The amendment of the title is necessary to reflect the new content of this section.

The previous content of this section was repealed to remove all language regarding processing a private party transfer. Existing Penal Code statutes sufficiently explain the law related to private party transfers of firearms.

The new content of this section details how to create a CFARS account. Subdivision (a) was added to provide the web address where applicants shall electronically file their application in the CFARS system.

Subdivision (b)(1) through (4) details the conditions of use that an applicant agrees to when creating an account in the CFARS system.

Subdivision (c)(1) through (4) explain the information required to create a CFARS account.

§ 4034. Service of Notices, Orders, and Communications

The section has been amended with the deletion of the “Dealer Fees” title and replaced with the “Service of Notices, Orders, and Communications” title. The amendment of the title is necessary to reflect the new content of this section.

The previous content of this section was repealed to remove all language regarding dealer fees for private party transfers. Existing Penal Code statutes sufficiently explain the law related to private party transfers of firearms.

The new content of this section was added to specify that the Department may communicate with applicants, certificate holders, and CFD/CAVs via the CFARS system. The COE application and any associated changes are filed online through CFARS, so the Department will correspond as necessary through the system.

§ 4035. Applicant Information

The section has been amended with the deletion of the “Confidentiality of Records” title and replaced with the “Applicant Information” title. The amendment of the title is necessary to reflect the new content of this section.

This section was repealed to remove language regarding confidentiality in private party transfers. This section was repealed as Penal Code section 28060 and Civil Code section 1798.24 state that

personal information obtained during a transaction with a firearm dealer shall not be disclosed by the dealer except under specific circumstances. This section of regulations is not necessary.

The new content of this section renumbers and amends existing section 4037 to specify what information the applicant must provide to complete the COE application in the CFARS system after an account is created. The CFARS application submission process is not described in the current regulations. This section is needed to provide direction to applicants about the initial application submission process and requirements.

Subdivision (a) was added to specify the link applicants click in the CFARS system when electronically filing their initial COE application.

Subdivision (b)(1) details the required information for application submission, including name, address, and other required criteria. Subdivision (b)(1)(A) through (C) outline the requirements for applicants who are applying for a COE as an employee of a CFD or a CAV. These additions are necessary for COE holders to be appropriately linked with their employer.

Subdivision (b)(2) was added to include the privacy notice that applicants shall agree to before submitting their application. This is the standard Department privacy notice and was included in the regulations since the application is now submitted electronically via CFARS.

Subdivision (c) was added to clarify that, in addition to the application, the applicant shall submit fingerprints for a COE to the Department through the live scan process detailed in section 4032.5. Although detailed in a prior section, this subdivision was included to reiterate all requirements needed for an initial application and for clarity in reading the regulations.

Subdivision (d) was added to clarify that, in addition to the application, the applicant shall submit the required fees as detailed in section 4038. Although detailed in a later section, this subdivision was included to reiterate all requirements needed for an initial application and for clarity in reading the regulations.

§ 4036. Modifications to Applicant Information

The section has been amended with the deletion of the “Qualifications” title and replaced with the “Modifications to Applicant Information” title. The amendment of the title is necessary to reflect the new content of this section. The previous content of this section now appears in section 4032.

New subdivision (a) was added to specify how certificate holders make changes to information provided in their initial or renewal application. This subdivision includes the link that COE holders click on CFARS to submit modifications. The existing regulations do not outline how to make modifications to required information, such as name, citizenship, gender, et cetera.

New subdivision (a)(1) was added to clarify that changes to certain information in CFARS will require the certificate holder to upload documents that verify the change. For example, if a certificate holder changes their name, he or she would be required to upload verifying documents to prove the change. The Department requires this for security purposes and to avoid inaccurate changes to COE information.

New subdivision (b) was added to clarify that any change to a certificate holder's employment status shall be reported via CFARS by both the employee and the employer. Subdivision (b)(1) outlines the process for a certificate holder submitting a change of employment. Specifically, subdivision (b)(1)(A) details how a certificate holder reports employment and subdivision (b)(1)(B) specifies how a certificate holder terminates employment. Subdivision (b)(1)(B)(i) is necessary to detail the Department notice that a COE holder must agree to when terminating employment from a CFD/CAV.

New subdivision (b)(2) outlines the process for a CFD or CAV modifying the status of an employee. Beginning January 1, 2018, any agent or employee of a vendor who handles, sells, or delivers firearms and ammunition will be required to obtain a COE. This subdivision is necessary to specify the process for modifying employment status to ensure that COE holders are appropriately linked to their CFD/CAV employer. Subdivision (b)(2)(A) details how a CFD/CAV shall report employment of a new certificate holder, and subdivision (b)(2)(B) specifies how a CFD/CAV terminates the employment of an employee. Subdivision (b)(2)(B)(i) is necessary to detail the Department notice that a CFD/CAV must agree to when terminating the employment of an employee. These additions are necessary to outline the modification process through CFARS, which is absent from the existing regulations. Furthermore, the modification of employment section ensures that CFD/CAVs and employees are accurately linked.

§ 4037. Renewal of Certificate

The section has been amended with the deletion of the "Application for Certificate of Eligibility" title and replaced with the "Renewal of Certificate" title. The amendment of the title is necessary to reflect the new content of this section. The previous content of this section has been amended and now appears in section 4035, which details the application requirements.

The new content of this section outlines the COE renewal application process. The renewal requirements were not detailed in the previous regulations, so the addition of this section is necessary.

New subdivision (a) specifies that renewal applications shall be submitted within a 60 day window before the current certificate expires. The timeline for renewal was absent from the existing regulations.

New subdivision (b) specifies the link in CFARS that applicants click to access the renewal application. Subdivision (b)(1) is a necessary addition that details the information required to submit a renewal application. Subdivision (b)(1)(A) through (C) outline the requirements for applicants who are applying for a COE as an employee of a CFD or a CAV. These additions are necessary for renewal applicants to be appropriately linked with their employer. Subdivision (b)(2) was added to refer to the privacy notice that applicants shall agree to before submitting their application. This is the standard Department privacy notice and was included in the regulations since the application is now submitted electronically via CFARS.

New subdivision (c) specifies that any changes to the information submitted during the initial application shall be updated when the renewal application is submitted. This addition is

necessary to clarify that the most updated information needs to be included with the renewal application.

New subdivision (d) specifies that renewal fees shall be submitted via CFARS. The COE application process has transitioned to an online system. The addition of this subdivision is necessary to clarify that renewal fees shall be paid via CFARS. Initial application fees are paid during the live scan fingerprint process, so it was necessary to clarify that renewal fees are submitted online.

New subdivision (e) specifies that applicants attempting to renew a COE 90 days after the certificate expiration shall resubmit fingerprints to the Department and subsequently submit a new COE application. This addition is necessary for the Department to ensure that the applicant remains qualified to obtain a COE and has passed a firearms eligibility background check.

§ 4038 Term and Fees

This section specifies the term of the certificate and the fees for the initial and renewal COE application. The term length and fees are unchanged. Subdivision (a) rennumbers existing section 4039, and subdivision (b) rennumbers existing section 4040. The term and fees have been combined and added to this section due to the renumbering of prior sections and for clarity.

§ 4039 Cancellation of Certificate

The section has been amended with the deletion of the “Term of Certificate of Eligibility” title and replaced with the “Cancellation of Certificate” title. The amendment of the title is necessary to reflect the new content of this section. The previous content of this section now appears in section 4038, subdivision (a).

The new content in this section is necessary to specify the process and the link for cancelling a COE. The cancellation process was not specified in the existing regulations. Additionally, the cancellation is now completed through CFARS so the regulations need to be updated to reflect the change.

§ 4040 Applicant Denial Review Process

The section has been amended with the deletion of the “Fees” title and replaced with the “Applicant Denial Review Process” title. The amendment of the title is necessary to reflect the new content of this section. The previous content of this section now appears in section 4038, subdivision (b).

New subdivision (a) is necessary to inform applicants that a Notice of Denial will be sent through CFARS if the application is denied. This addition reiterates that all correspondence regarding the COE, including a Notice of Denial, will be sent through CFARS.

New subdivision (b) rennumbers and amends existing section 4041 relating to the process for applicants wishing to review and/or change the records upon which a denial is based. The previous process remains unchanged. However, if an applicant is successful in correcting the applicant’s records, the applicant must now resubmit the application through CFARS.

§ 4041 Revocation, Reasons, and Process

The section has been amended with the deletion of the “Applicant Denial Review Process” title and replaced with the “Revocation, Reasons and Process” title. The amendment of the title is necessary to reflect the new content of this section. The previous content of this section has been amended and now appears in section 4040.

New subdivision (a) specifies that a certificate may be revoked by the Department if a certificate holder becomes prohibited from acquiring or possessing firearms and ammunition. This subdivision is necessary as the revocation authority and process are not detailed in the existing regulations.

New subdivision (b) is necessary to inform applicants that a Notice of Intent to Revoke will be sent through CFARS. This addition reiterates that all correspondence regarding the COE, including a Notice of Revocation, will be sent through CFARS.

AUTHORITY AND REFERENCE

Authority: Sections 11105 and 26710, Penal Code.

Reference: Sections 12101, 12756, and 12757, Health and Safety Code; Sections 16140, 16800, 26525, 26585, 26700, 26705, 26710, 26915, 26970, 27200, 27535, 27545, 27670, 27966, 28450, 29050, 29120, 29800, 29805, 29815, 29820, 29825, 29900, 30312, 30314, 30342, 30347, 30370, and 31700, Penal Code; Sections 8100 and 8103, Welfare and Institutions Code; Title 18, Sections 921 and 922, United States Code; and Title 27, Part 478.32, Code of Federal Regulations.

Repeal: The Department proposes to repeal content in sections 4032, 4033, 4034, and 4035 of title 11, division 5, Chapter 3, of the California Code of Regulations concerning Non-Dealer Sales or Transfers of Firearms through Licensees or Dealers.

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

Department staff relied upon their experience and expertise when writing these proposed regulations. The Department did not rely upon any technical, theoretical, or empirical studies or reports in proposing the amendments to these regulations.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Department determined the proposed regulations will not have a significant adverse economic impact. 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.

This assessment is based on the fact that these regulations propose no change to the current COE application fees. Although the regulations now specify the fingerprint processing fee, under existing law, applicants are charged for the processing of fingerprints prepared by the Department or any other agency who is qualified to provide fingerprinting services (i.e. the State Criminal Offender Record Information (CORI) fee and the Federal CORI fee). The amendments simply clarify the fingerprint and fee processes in the regulations. The live scan operator may also charge a fee for service, which is not regulated by the Department. Additionally, the out-of-state fee matches the already existing applicant fingerprint processing fee for in-state applicants. Similarly, the effect on sales volume, if any, will not be significant enough to affect the creation nor elimination of businesses or jobs. In addition to the previously described fees, the other sections of the regulations should have no negative economic impact on the regulated public or the Department. Any economic changes from the specification of the fingerprinting submission process and the creation of a CFARS account/application would likely be positive, resulting from time and resources saved.

Benefits of the Proposed Regulations: Applicants will properly complete their fingerprint submission process and submit COE applications through the CFARS online system, thereby making the process more clear and efficient for the user and the Department.

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

The Department finds that the proposed regulations would not have statewide adverse economic impact on businesses. As previously stated, there are no proposed changes to the current COE application fees, and the fees are paid for by the COE applicant.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES

No other reasonable alternatives were presented to, or considered by, DOJ 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.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES, AND THE AGENCY'S REASONS FOR REJECTING THEM

The proposed regulations would not have an adverse impact on small businesses because the COE application fees remain unchanged. Furthermore, the fees are paid for by the COE applicant. Consequently, no reasonable alternatives were proposed or considered by the Department.

MANDATES

The proposed regulatory action does not mandate the use of specific technologies or equipment or prescribe specific action or procedures.

REGULATIONS MANDATED BY FEDERAL LAW

The proposed regulations are not mandated by federal law or regulations.

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

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME Justice	CONTACT PERSON Audrey Durfor	EMAIL ADDRESS COEregs@doj.ca.gov	TELEPHONE NUMBER 916 227-7615
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Certificates of Eligibility			NOTICE FILE NUMBER Z

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

The action repeals unnecessary regulations and updates/clarifies the COE application and fingerprint submission process. No negative fiscal impacts.

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.

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: _____

Describe the types of businesses (Include nonprofits): _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

4. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

5. Indicate the geographic extent of impacts: ☐ Statewide
☐ Local or regional (List areas): _____

6. Enter the number of jobs created: _____ and eliminated: _____

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? \$ _____

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____
_____2. If multiple industries are impacted, enter the share of total costs for each industry: _____
_____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. \$ _____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 ☐ NOExplain the need for State regulation given the existence or absence of Federal regulations: _____

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ _____

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: _____
_____2. Are the benefits the result of: ☐ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

Explain: _____

3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: _____

_____**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: _____

**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: \$ _____ Cost: \$ _____

Alternative 1: Benefit: \$ _____ Cost: \$ _____

Alternative 2: Benefit: \$ _____ Cost: \$ _____

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

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 ☐ NO

Explain: _____

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: _____

The incentive for innovation in products, materials or processes: _____

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: _____

**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 _____

**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)

\$ _____

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 _____**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

1-8-18

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

2-21-18

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