

INITIAL STATEMENT OF REASONS

ADDENDUM

[OAL File No. Z-2018-1204-08]

The following addendum clarifies the specific purpose of proposed sections 4301, 4302, 4303, 4305 and 4309, and the rationale for the determination by the Department of Justice that the regulation is necessary to carry out the purpose for which it is proposed.

PURPOSE AND NECESSITY

§ 4301. Definition of Key Terms.

Subdivision (a) establishes an initialism that is, itself, a commonly used term. The terms “AFS” and “Automated Firearms System” are used in these regulations and in Penal Code section 30370, subdivision (a)(1), which these proposed regulations implement. The definition is necessary to include, here, to guarantee the clarity of the regulations.

Subdivision (c) establishes an initialism whereby “ATN” means “Ammunition Transaction Number,” which is the name the Department has given to the unique identifying number assigned to each request to authorize an ammunition purchase. This name is necessary to communicate to a potential ammunition purchaser or transferee a key component of the process implemented by proposed sections 4302(d) and 4303(c).

Subdivision (d) establishes a name for a process that is prescribed by statute, as referenced in the definition. This process is being named for ease of reference, and to distinguish between the different types of ammunition eligibility checks. Because the eligibility check conducted pursuant to Penal Code section 30370, subdivision (c), is largely the same as the usual firearms eligibility check, the Department has named this eligibility check the “Basic Ammunition Eligibility Check.”

Subdivisions (e), (i), (o) and (p) establish a name for persons or things that are defined by statute, as referenced in each definition. The Department has exercised no discretion in defining these terms. They are necessary to include, here, for ease of reference, and because the terms are used in these regulations.

Subdivision (f) establishes an initialism that is, itself, a commonly used term. The terms “CFARS” and “California Firearm Application Reporting System” are used by Penal Code sections 33850 and 33865 to refer to the system by which members of the public contact the Department regarding their personal firearms records. The Department has exercised no discretion in defining these terms. The definitions are necessary to include, here, to guarantee the clarity of the regulations.

Subdivision (h) establishes the term “Dealer Record of Sale Entry System or DES,” which is a generally acknowledged term in the industry and is explicitly defined by title 11, chapter 8, section 4200, of the California Code of Regulations.

Subdivision (j) establishes a name for a process that is prescribed by statute, as referenced in the definition. This process is being named for ease of reference. The name chosen by the Department is self-descriptive. The statutory reference also explains the eligibility check.

Subdivision (k) establishes the meaning of the term “head of agency.” This meaning is necessary to establish in order to determine who is authorized by Penal Code section 30352, subdivision (e)(7) as having the authority relevant to sections 4306(a)(4) and (5) of these regulations. The Department has interpreted the term “head of agency” in the most commonly accepted manner.

Subdivision (n) establishes a name for a process that is prescribed by statute, as referenced in the definition. This process is being named for ease of reference, and to distinguish between types of statutory eligibility checks. Because the Department expects that 98 percent of ammunition eligibility checks will be conducted pursuant to Penal Code section 30370, subdivision (a)(1), the Department has named this eligibility check the “Standard Ammunition Eligibility Check.”

§ 4302. Standard Ammunition Eligibility Check.

Subdivision (a) establishes a fee of \$1 per Standard Ammunition Eligibility Check, to recover the reasonable cost of regulatory and enforcement activities related to Article 4 of Chapter 1 of Division 10 of Title 4 of Part 6 of the Penal Code. Pursuant to Penal Code section 30370, subdivision (e), the per-transaction fee may exceed neither \$1, nor the reasonable regulatory and enforcement costs of activities related to the article.

The Department has determined that a \$1 fee per Standard Ammunition Eligibility Check is necessary to recover the reasonable cost of regulatory and enforcement activities.

The Department estimates there will be approximately 13.2 million ammunition purchases or transfers each year (see the Economic Impact Analysis for how the Department reached this estimate). Of those 13.2 million purchases or transfers, the Department estimates that approximately 13 million will come from people who have records in the Automated Firearms System (AFS). These individuals may be authorized to purchase ammunition subsequent to the results of a Standard Ammunition Eligibility Check.

There are currently 4.5 million people with distinct entries in the Automated Firearms System. However, the Department estimates that less than 2/3 of these people are active firearms users. This is because the oldest records in AFS date back to the year 1900 and likely reflect individuals who are no longer active firearms users; some people who possess firearms do not use them regularly, and so do not purchase ammunition regularly; and people who purchase ammunition at gun ranges are exempt from these regulations per Penal Code section 30352, subdivision (e)(3). The Department estimates that each person in AFS who is actively engaged in shooting sports (roughly 3,000,000 persons) will purchase ammunition approximately 4-5 times each year, for an estimate of approximately 13,000,000 million transactions each year that

will be conducted subsequent to a Standard Ammunition Eligibility Check. At the proposed fee of \$1 per transaction, this equates to a revenue of \$13,000,000 each year.

Together with the \$950,000 generated by the fee for the Basic Ammunition Eligibility Check and the \$154,000 generated by the fee for the COE Verification (see explanations for these fees in sections 4303 and 4305, below), the Department projects a revenue of approximately \$14,104,000 each year.

The initial costs of implementing the ammunition authorization program required the Department to incur a debt of \$25 million from the state's General Fund, as authorized by Penal Code section 30371. These initial program costs include personal services, operating expenses and equipment, system enhancements, infrastructure, and other costs. This debt will need to be repaid, with interest, as stipulated by the authorizing statute.

The Department estimates the ongoing fiscal expenses to implement the entire ammunition authorization program will be approximately \$13 million for the first year, and approximately \$10 million each subsequent year (see STD 399 Attachment A). For fiscal years 2019/20, 2020/21, and 2021/22, the Department will allow for the Ammunition Safety and Enforcement Special Fund to build a reserve for economic uncertainties. This reserve will also be used to repay, with interest, the \$25 million loan from the state's General Fund. The Department projects that it will be able to repay the loan at \$3 million each year, beginning FY 2022/2023.

The Department has determined that the most effective way to recover the costs of implementing the ammunition authorization program, including the cost of repaying the loan with interest and maintaining a modest reserve, is to set the fee for the Standard Ammunition Eligibility Check at \$1 per transaction.

By fiscal year 2022/23, the Department will have a better estimate for annual revenues based on actual numbers, and at that time can adjust the fee set by proposed section 4302, subdivision (a).

Subdivision (b) specifies that the purchaser or transferee's name, date of birth, current address and driver license or other government identification number must be collected from the potential purchaser or transferee, and specifies the manner of collecting and transmitting that information to the Department.

Penal Code section 30370, subdivision (b) requires the Department to match the purchaser's or transferee's "name, date of birth, current address and driver license or other government information" with "the information in the Automated Firearms System." The Department has exercised no discretion in requiring this information from the purchaser or transferee.

The information must be collected in the manner described in Penal Code section 28180 because Penal Code section 30370, subdivision (b) requires that it be collected in that manner. The Department has exercised no discretion in requiring this. It is necessary to include, here, to guarantee the clarity of the regulations.

The purchaser or transferee's telephone number is required by Penal Code section 30352, subdivision (a)(6), at the time of the delivery of the ammunition. Rather than request personal

information from the purchaser or transferee at two separate times, the Department has determined that it would be most efficient to request all of the purchaser or transferee's personal information required to complete an ammunition purchase or transfer at this stage of the process, so that no new personal information will need to be requested at a second stage of the process. This will streamline the delivery of ammunition as soon as it is approved. The Department has also determined that gathering the purchaser or transferee's phone number at the time of the eligibility check will allow the Department greater ability to verify the purchaser's identity, if necessary, and to communicate with the purchaser or transferee, if necessary.

The Department has determined that the most effective way to conduct the ammunition authorization program is to require all required information be communicated to the Department through the DES website, with the notable exemption provided by Penal Code section 30370, subdivision (d), as implemented by section 4307 of these proposed regulations. Penal Code section 30370, subdivision (d) implies that the majority of ammunition vendors will submit the information "electronically." Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. The DES website is already the established portal through which firearms dealers communicate purchasers' or transferees' personal information to the Department for the purpose of firearm eligibility checks. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require use of a separate method of communicating purchasers' or transferees' personal information to the Department for the specific purpose of ammunition eligibility checks.

Subdivision (c) specifies that, subsequent to the submission of information described in subdivision (b), the Department will communicate to the ammunition vendor the Department's determination regarding whether the purchaser or transferee is authorized to purchase ammunition. This specifies the possible results of the Standard Ammunition Eligibility Check, and that the Department will communicate the results directly to the ammunition vendor, thereby providing the ability for the ammunition vendor to comply with Penal Code section 30352, subdivision (d).

Subdivision (d) specifies the process by which a purchaser or transferee may obtain the reason when a Standard Ammunition Eligibility Check results in a rejection. This subdivision is necessary to inform individuals who are rejected subsequent to a Standard Ammunition Eligibility Check that it is possible to obtain a reason for the rejection, and that an ATN can be used for this purpose, thereby providing transparency to the affected party and allowing for the individual to challenge the determination, as appropriate. This is only available when a purchase or transfer is rejected, since an individual who is not rejected would have no use for an ATN. The subdivision also specifies that it is incumbent upon the ammunition vendor to provide the ATN to the purchaser or transferee since, pursuant to subdivisions (b) and (c), the vendor acts as an intermediary between the Department and the purchaser or transferee.

§ 4303. One-Time Ammunition Transactions.

Subdivision (a) establishes a fee, authorized by Penal Code section 30370, subdivision (c), to recover the reasonable cost of processing and regulatory and enforcement activities related to that statute. The authorizing statute allows the Department to set the fee at an amount not to exceed the fee charged for the Department's Dealers' Record of Sale (DROS) process, and not to exceed the Department's reasonable costs.

The charge for the DROS process, as set by title 11, chapter 1, section 4001 of the California Code of Regulations, is \$19 per transaction.

The Department has determined that it must set the fee for the Basic Ammunition Eligibility Check at \$19 per transaction in order to recover the Department's reasonable costs.

The Department estimates there will be approximately 13.2 million ammunition purchases or transfers each year (see the Economic Impact Analysis for how the Department reached this estimate). Of those 13.2 million purchases or transfers, the Department estimates that approximately 154,000 will be made by people who undergo the COE verification process and 13,000,000 million made by people who have an entry in AFS. The Department therefore estimates that there will be 50,000 purchases made by people who will gain authorization to purchase ammunition by submitting to the Basic Ammunition Eligibility Check. At the maximum allowable fee of \$19 per transaction, this equates to a revenue of \$950,000 each year.

Together with the \$13,000,000 generated by the fee for the Standard Ammunition Eligibility Check and \$154,000 generated by the fee for the COE verification (see explanations for these fees in sections 4302, above, and section 4305, below), the Department projects a revenue of approximately \$14,104,000 each year.

The initial costs of implementing the ammunition authorization program required the Department to incur a debt of \$25 million from the state's General Fund, as authorized by Penal Code section 30371. These initial program costs include personal services, operating expenses and equipment, system enhancements, infrastructure, and other costs. This debt will need to be repaid, with interest, as stipulated by the authorizing statute.

The Department estimates the ongoing fiscal expenses to implement the entire ammunition authorization program will be approximately \$13 million for the first year, and approximately \$10 million each subsequent year (see STD 399 Attachment A). For fiscal years 2019/20, 2020/21, and 2021/22, the Department will allow for the Ammunition Safety and Enforcement Special Fund to build a reserve for economic uncertainties. This reserve will also be used to repay, with interest, the \$25 million loan from the state's General Fund. The Department projects that it will be able to repay the loan at \$3 million each year, beginning FY 2022/2023.

The Department has determined that the most effective way to recover the costs of implementing the ammunition authorization program, including the cost of repaying the loan with interest and maintaining a modest reserve, is to set the fee for the Basic Ammunition Eligibility Check at \$19 per transaction.

By fiscal year 2022/23, the Department will have a better estimate for annual revenues based on actual numbers, and at that time can adjust the fee set by proposed section 4303, subdivision (a).

Subdivision (b) specifies information that must be collected from the purchaser or transferee, and the manner of collecting and transmitting that information to the Department.

The purchaser or transferee's name, date of birth, current address, gender, hair color, eye color, height, weight, driver license or other government identification number, place of birth, alias names(s), and race are required so that the Department can conduct the Basic Ammunition Eligibility Check. Penal Code section 30370, subdivision (c) requires the Department to "develop a procedure in which a person who is not prohibited from purchasing or possessing ammunition may be approved" to purchase or receive possession of ammunition. Because, pursuant to Penal Code section 30305, no person prohibited from owning or possessing a firearm, as specified, shall own or possess ammunition, the Department has determined that the most effective way to implement Penal Code section 30370, subdivision (c) is to conduct an ammunition eligibility check that mirrors the processes and procedures of a firearms eligibility check, with the exception of the check of federal databases. That exception aside, a firearms eligibility check requires the aforementioned personal information in order to verify the person's identity and to check records accessible by the Department, and therefore the Department has determined that the most effective method of conducting a Basic Ammunition Eligibility Check is to require the same information from an ammunition purchaser or transferee.

The information must be collected in the manner described in Penal Code section 28180 because this is the most efficient method of accurately collecting the information required. Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. These firearms dealers are already required by Penal Code section 28180 to collect purchaser information in that manner, for the purpose of firearm eligibility checks. This is also the manner prescribed by Penal Code section 30370, subdivision (b), for collecting personal information for the Standard Ammunition Eligibility Check. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require use of a separate method to accurately collect and communicate purchasers' or transferees' personal information to the Department for the specific purpose of ammunition eligibility checks.

The purchaser or transferee's United States citizenship status, and federal Alien Registration Number or I-94 (if applicable), are also required so that the Department can conduct the Basic Ammunition Eligibility Check. Penal Code section 30370, subdivision (c), requires the Department to develop a procedure in which "a person who is not prohibited from purchasing or possessing ammunition may be approved..." It is ambiguous whether "a person who is not prohibited" refers to a person who is only "not prohibited" by state law, or also to persons not prohibited by federal law. For example, title 18, section 922(g) of the federal Gun Control Act makes it unlawful for individuals meeting specified criteria ("prohibitors") to possess a firearm or ammunition. The Department has determined that it would be counter to the legislative intent under SB 1235 for the Department to approve purchases of ammunition by individuals who may be prohibited from doing so under either state or federal law. The two other methods of obtaining authorization from the Department to purchase ammunition pursuant to Penal Code

section 30370 both involve a check of federal prohibitors. The Standard Ammunition Eligibility Check requires the individual to not be prohibited from owning or possessing ammunition by cross-referencing the Prohibited Armed Persons File database which, pursuant to Penal Code section 30005, explicitly includes individuals who are prohibited from firearms and ammunition possession by federal law. Similarly, a Certificate of Eligibility is issued upon a determination by the Department that the individual is not prohibited by state or federal law from possessing, receiving, owning, or purchasing a firearm or, by extension, ammunition (see Penal Code section 26710, subdivision (b)). The Department has determined it will not affirm that an individual is authorized to purchase ammunition if the individual is prohibited under federal law, and therefore that the Basic Ammunition Eligibility Check should likewise consider federal prohibitors on ammunition possession. However, because the Department is not permitted to use the federal National Instant Criminal Background Check System (NICS) for the purpose of ammunition eligibility checks, the Department has determined that the most efficient method of ensuring that a person is not prohibited to purchase ammunition under federal law is to require the ammunition vendor to collect the purchaser or transferee's United States citizenship status, and federal Alien Registration Number or I-94 (if applicable), and to report this information to the Department.

The purchaser or transferee's telephone number is required by Penal Code section 30352, subdivision (a)(6), at the time of the delivery of the ammunition. Rather than request personal information from the purchaser or transferee at two separate times, the Department has determined that it would be most efficient to request all of the purchaser or transferee's personal information required to complete an ammunition purchase or transfer at this stage of the process, so that no new personal information will need to be requested at a second stage of the process. This will streamline the delivery of ammunition as soon as it is approved. The Department has also determined that gathering the purchaser or transferee's phone number at the time of the eligibility check will allow the Department to verify the purchaser's identity, if necessary, and to communicate with the purchaser or transferee, if necessary.

The Department has determined that the most effective way to conduct the ammunition authorization program is to require all required information be communicated to the Department through the DES website, with the notable exemption provided by Penal Code section 30370, subdivision (d), as implemented by section 4307 of these proposed regulations. Penal Code section 30370, subdivision (d) implies that the majority of ammunition vendors will submit the information "electronically." Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. The DES website is already the established portal through which firearms dealers communicate purchasers' or transferees' personal information to the Department for the purpose of firearm eligibility checks. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require use of a separate method of communicating purchasers' or transferees' personal information to the Department for the specific purpose of ammunition eligibility checks.

Subdivision (c)(1) specifies that an approved Basic Ammunition Eligibility Check can only be used for one purchase. Penal Code section 30370, subdivision (c) mandates that the procedure being developed by this proposed regulation will provide an approval "for a single ammunition transaction or purchase." The Department has determined that it is necessary to duplicate the

statutory provision in the regulation so as to provide clarity regarding the practical usefulness of a Basic Ammunition Eligibility Check.

This subdivision also specifies that the approval expires 30 calendar days from when it is issued. During the Basic Ammunition Eligibility Check, the Department conducts a review of its records to determine if an individual is eligible to own or possess ammunition; the review is based on information retrieved at that point in time. To ensure the Department bases its determinations on the most current information, eligibility checks are only valid for 30 days. After 30 days, a new eligibility check must be conducted to ensure that nothing has transpired that would prohibit an individual from owning or possessing ammunition.

Subdivision (c)(2) specifies that if the Basic Ammunition Eligibility Check is denied, the Department will notify the purchaser or transferee of the reason for the denial via U.S. mail. It is necessary to communicate the reason for the denial via U.S. mail because this reason will have been determined through a review of the records available to the Department, and by referring to those records the communication may contain sensitive personal information. Providing the reason for the denial via U.S. mail rather than, for instance, via email or through an internet portal such as CFARS, ensures the security and confidentiality of the communication, while also providing transparency to the denied individual as to the reason for the Department's determination.

Subdivision (d) specifies the manner in which the Department will communicate the result of the potential purchaser or transferee's request. The Department has determined that the most effective way to communicate its determination to the vendor and to the potential purchaser or transferee is through the DES website. Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. The DES website is already the established portal through which the Department communicates determinations on firearm eligibility checks to firearms dealers, regarding potential firearms purchasers or transferees. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop a separate method of communicating the Department's determination to ammunition vendors for the purpose of ammunition eligibility checks. By specifying that the determination will be communicated via the DES website, the result will be communicated directly to the ammunition vendor, thereby providing the ability for the ammunition vendor to comply with Penal Code section 30352, subdivision (d).

§ 4305. COE Verification Process.

Subdivision (a) establishes a fee of \$1 per request for a Certificate of Eligibility (COE) verification for the purpose of gaining authorization to purchase or transfer ammunition, to recover the reasonable cost of regulatory and enforcement activities related to Article 4 of Chapter 1 of Division 10 of Title 4 of Part 6 of the Penal Code. Pursuant to Penal Code section 30370, subdivision (e), the per-transaction fee may exceed neither \$1, nor the reasonable regulatory and enforcement costs.

The Department has determined that a \$1 fee per COE verification is necessary to recover the reasonable cost of regulatory and enforcement activities.

The Department estimates there will be approximately 13.2 million ammunition purchases or transfers each year (see the Economic Impact Analysis for how the Department reached this estimate). Of those 13.2 million purchases or transfers, the Department estimates that approximately 154,000 will be made by people who undergo the COE verification process.

There are currently 22,000 people who hold a COE. Persons who hold a COE are likely to be actively engaged in shooting sports, and so the Department estimates that all COE holders will purchase ammunition in any given year (i.e., all 22,000 COE holders), and at a rate higher than most casual firearms enthusiasts. The Department estimates that COE holders will purchase ammunition approximately seven (7) times each year, for an estimate of 154,000 transactions each year. At the maximum allowable fee of \$1 per transaction, this equates to a revenue of \$154,000 each year.

Together with the \$13,000,000 generated by the fee for the Standard Ammunition Eligibility Check and the \$950,000 generated by the fee for the Basic Ammunition Eligibility Check, the Department projects a revenue of approximately \$14,104,000 each year.

The initial costs of implementing the ammunition authorization program required the Department to incur a debt of \$25 million from the state's General Fund, as authorized by Penal Code section 30371. These initial program costs include personal services, operating expenses and equipment, system enhancements, infrastructure, and other costs. This debt will need to be repaid, with interest, as stipulated by the authorizing statute.

The Department estimates the ongoing fiscal expenses to implement the entire ammunition authorization program will be approximately \$13 million for the first year, and approximately \$10 million each subsequent year (see STD 399 Attachment A). For fiscal years 2019/20, 2020/21, and 2021/22, the Department will allow for the Ammunition Safety and Enforcement Special Fund to build a reserve for economic uncertainties. This reserve will also be used to repay, with interest, the \$25 million loan from the state's General Fund. The Department projects that it will be able to repay the loan at \$3 million each year, beginning FY 2022/2023.

The Department has determined that the most effective way to recover the costs of implementing the ammunition authorization program, including the cost of repaying the loan with interest and maintaining a modest reserve, is to set the fee for the COE Verification at \$1 per transaction.

By fiscal year 2022/23, the Department will have a better estimate for annual revenues based on actual numbers, and at that time can adjust the fee set by proposed section 4305, subdivision (a).

Subdivision (b) specifies the information that must be collected to verify that the purchaser or transferee holds a current COE, and the manner of collecting and transmitting that information to the Department so that the Department can verify that the COE is "current" and therefore approve the purchase or transfer pursuant to Penal Code section 30370, subdivision (a)(2).

The purchaser or transferee's name, date of birth, current address and driver license or other government identification number must be collected so that the Department can verify the purchaser or transferee's identity.

The information must be collected in the manner described in Penal Code section 28180 because this is the most efficient method of accurately collecting the information required. Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. These firearms dealers are already required by that Penal Code section to collect purchaser information in that manner, for the purpose of firearm eligibility checks. This is also the manner prescribed by Penal Code section 30370, subdivision (b), for collecting personal information for the Standard Ammunition Eligibility Check. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require the use of a separate method of accurately collecting and communicating purchasers' or transferees' personal information to the Department for the specific purpose of the COE Verification.

The purchaser or transferee's COE number must be collected so that the Department can cross-reference its records to verify that the COE is "current."

The purchaser or transferee's telephone number is required by Penal Code section 30352, subdivision (a)(6), at the time of the delivery of the ammunition. Rather than request personal information from the purchaser or transferee at two separate times, the Department has determined that it would be most efficient to request all of the purchaser or transferee's personal information required to complete an ammunition purchase or transfer at this stage of the process, so that no new personal information will need to be requested at a second stage of the process. This will streamline the delivery of ammunition as soon as it is approved. The Department has also determined that gathering the purchaser or transferee's phone number at the time of the eligibility check will allow the Department to verify the purchaser's identity, if necessary, and to communicate with the purchaser or transferee, if necessary.

The Department has determined that the most effective way to conduct the ammunition authorization program is to require all required information be communicated to the Department through the DES website, with the notable exemption provided by Penal Code section 30370, subdivision (d), as implemented by section 4307 of these proposed regulations. Penal Code section 30370, subdivision (d) implies that the majority of ammunition vendors will submit the information "electronically." Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. The DES website is already the established portal through which firearms dealers communicate purchasers' or transferees' personal information to the Department for the purpose of firearm eligibility checks. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require use of a separate method of communicating purchasers' or transferees' personal information to the Department for the specific purpose of the COE Verification.

Subdivision (c) specifies that, subsequent to the submission of information described in subdivision (b), the Department will communicate to the ammunition vendor the Department's determination regarding whether the purchaser or transferee is authorized to purchase

ammunition. This specifies the possible results of the COE Verification, and that the Department will communicate the results directly to the ammunition vendor, thereby providing the ability for the ammunition vendor to comply with Penal Code section 30352, subdivision (d).

§ 4309. Billing, Payment, and Suspension for Non-Payment.

Subdivision (a) specifies how an ammunition vendor is billed by the Department. The Department has determined that the most effective way to bill an ammunition vendor is to deliver the bill through the DES website. Pursuant to Penal Code section 30385, subdivision (d), many firearms dealers are also authorized ammunition vendors. The DES website is already the established portal through which bills are delivered to firearms dealers, to provide payment for firearm eligibility checks. It would be unduly burdensome for ammunition vendors, and unnecessarily expensive for the Department to develop and require the use of a separate method of communicating billing statements to the ammunition vendor.

Subdivision (c) specifies consequences for non-payment within 30 days. The Department has determined that there must be a consequence for non-payment, in order to incentivize timely payment. Thirty days is a standard length of time to allow for payments to be made. The Department has determined that suspending access to DES is the most effective way to incentivize payment, as ammunition vendors would want sustained access to DES in order to continue to legally sell ammunition.