

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

Title 11, Division 5, Chapter 10, of the California Code of Regulations (CCR), prescribes the process concerning the licensure of ammunition vendors. Specifically, sections 4260 and 4261 identify the requirements that an ammunition vendor must follow in order to maintain a valid ammunition vendor license (AVL) with the California Department of Justice (Department).

Section 4260 requires ammunition vendors to provide to the Department, among other things, a copy of “any regulatory or business license required by local government” and a “federal firearms license if the person is federally licensed.” Section 4261 requires ammunition vendors, as a condition of maintaining a valid AVL, to provide a copy of a renewed local regulatory or business license, or a renewed federal firearms license “within 30 days of” the expiration of the current local or federal license.

However, some ammunition vendors are unable to provide copies of renewed local licenses before the licenses expire because many local licenses cannot be renewed before they expire. This has led to confusion for ammunition vendors and local licensing agencies, as vendors have been unclear as to when to renew their local licenses and when to submit the renewals to the Department.

BENEFITS ANTICIPATED FROM REGULATION ACTION

Regulating the sale and transfer of ammunition protects public health and safety by keeping ammunition out of the hands of persons who are prohibited under state and federal law from possessing firearms or ammunition. The proposed regulations will enable California ammunition vendors to comply with statutorily mandated licensing requirements for the sale of ammunition by clarifying the timeframe to submit permit and license renewals to the Department. This will prevent confusion among vendors that are unsure as to when to submit their renewal documentation to the Department. This will result in vendors being able to renew their AVLs in a timely manner and prevent them from expiring.

PURPOSE AND NECESSITY

Chapter 10. Ammunition Vendors

Purpose: The title has been amended to specify the subject of the chapter will be “Ammunition Vendors.”

Necessity: This amendment is necessary because this chapter is not inclusive of all regulations pertaining to ammunition. For example, Chapter 11 was recently adopted by the Department and pertains to ammunition purchasing. It would be confusing to the public for the Department to have a chapter titled “Ammunition” and not have all regulations related to ammunition fall into that chapter.

§ 4261. Ammunition Vendor License Application Fee and Term Length.

Subdivision (c)

Purpose: This section has been amended to clarify the requirements for an ammunition vendor to maintain a valid AVL, requiring copies of renewed licenses and permits, as specified in section 4260, to be submitted to the Department no later than 30 days after the expiration of the current license.

Necessity: This amendment is necessary in order to clarify the timeframe when vendors must submit copies of their renewed licenses and permits, as specified in section 4260, subdivisions (a)(1) through (a)(3). The previous language was confusing and did not specify if copies of renewals should be submitted 30 days before they expire, or 30 days after they expire. Most local licensing agencies do not renew licenses before the expiration date. As the text is currently written, some ammunition vendors were under the impression that they must renew their local licenses before they expire in order to keep their AVL valid. The amended regulation will now clearly state that a vendor can submit their licenses or permits to the Department no later than 30 days after they expire. Clarifying that ammunition vendors may submit the renewals of the permits and licenses specified in section 4260, subdivisions (a)(2) and (a)(3) no later than 30 days after they expire is necessary so vendors will not be confused about the renewal requirements.

This amendment will be beneficial to vendors because it gives clear guidance on how to stay current with the AVL requirements and it will also benefit local licensing agencies, as they will receive fewer requests to renew local licenses in advance of expiration.

Subdivision (d)

Purpose: This subdivision has been added to clarify that ammunition vendors must have an active Certificate of Eligibility in order to maintain an ammunition vendor license and require them to renew their COE before the AVL is restored.

This rulemaking adds a separate subdivision specific to Certificates of Eligibility because unlike the permit and licenses referenced in section 4260, the Department issues Certificates of Eligibility and does not need to a copy of the renewal to determine if an AVL has an active COE.

Necessity: It is necessary for an ammunition vendor to maintain a COE, and renew it if it expires before their AVL is restored, in order to fulfill the requirement of Penal Code section 30395, which requires ammunition vendor licensee to have a Certificate of Eligibility.

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

The subdivisions within this section have been renumbered. This is a non-substantial change because it does not materially alter the requirements, rights, responsibilities, conditions, or prescriptions contained in the original text. (Cal. Code Regs., tit. 1, § 40.)

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 business within California
- (3) The expansion of businesses currently doing business.

The Department also concludes that:

- (1) The proposal will indirectly benefit the health and welfare of California residents because it is clarifying licensing renewal requirements for ammunition vendors, and licensing requirements help keep ammunition out of the hands of prohibited persons.
- (2) The proposal will not affect worker safety.
- (3) The proposal will not affect the state's environment.

This assessment is based on the fact that the proposed regulations clarify the requirements for a business to maintain a valid AVL. The amended regulations clarify the timeframe for ammunition vendors to submit the copies of renewal documentation to the Department, which is necessary to maintain a valid AVL. These regulations will benefit ammunition vendors, which will have a better understanding of when to submit copies of renewals to the Department, allowing them to maintain a valid AVL and continue to sell ammunition to California residents.

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

The Department finds that the proposed regulations would not have a statewide adverse economic impact on businesses since the regulations only slightly clarify the requirements to maintain a valid AVL with the Department.

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

The Department did not rely upon any technical, theoretical, or empirical studies or reports in proposing the amendments to these regulations.

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

The Department finds that no other reasonable alternatives were presented to, or considered, 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.

The regulations do not use performance standards, but instead prescribe specific procedures for

obtaining and renewing an ammunition vendor license as required by statute.

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 requirements to maintain a valid AVL have not change, but have been clarified. Consequently, no reasonable alternatives were proposed or considered by the Department.