

**CALIFORNIA DEPARTMENT OF JUSTICE**  
**TITLE 11. LAW**  
**DIVISION 5. FIREARMS REGULATIONS**  
**CHAPTER 2. CENTRALIZED LIST OF FIREARMS DEALERS**

**FINAL STATEMENT OF REASONS**

**UPDATE OF INITIAL STATEMENT OF REASONS**

**§ 4010. Definition of Key Terms.**

A comma was deleted after the reference citation to Penal Code section 26715.

**§ 4012. Fees.**

Existing authority and reference citations were inadvertently omitted and then added and then further amended. “Note: Authority cited: Sections 26715, 26720 and 26800, Penal Code. Reference: Sections 26715 and 26720, Penal Code.”

**§ 4015. Notification of Preliminary Inspection Findings.**

In subdivision (a), “The preliminary finding of all dealer inspections shall be recorded on the Notification of Inspection Findings (Form BOF 08-022)” was deleted. In its place in subdivision (a), the following language was added “The Department will notify the dealer in writing of the preliminary findings of the inspection (also referred to as the preliminary findings document) as soon as possible upon completion of the inspection. The preliminary findings document will include the following: (1) Potential violations, (2) Potential remedial actions. (3) Date of the Inspection, and (4) Name of Department Representative. A citation may be subsequently issued pursuant to section 4016.”

This is necessary to avoid ambiguity and clarify how a dealer will be notified of the preliminary findings of inspections and the contents of the preliminary findings document.

Twice, in subdivision (b), the reference to “a completed Form BOF 08-022” was deleted. The following language was added “the preliminary findings document.” In subdivision (b)(3), the reference to “Form BOF 08-022” was deleted. The following language was added “the preliminary findings document.” Also, in subdivision (b)(3), two references to “form” were deleted and “document” was added.

All of the deletions of “completed Form BOF 08-022” and additions of “the preliminary findings document” described in the above paragraph were necessary to create consistency and clarify how a dealer will be notified of the preliminary findings of inspections.

Also, in subdivision (b), “issue” was deleted and “deliver” was added. This is necessary to avoid ambiguity and clarify that a preliminary findings document will be delivered to a dealer.

## **§ 4016. Citations and Civil Fines.**

In subdivision (a)(4), “The compliance date shall be no more than 30 calendar days following the date of the citation, unless” was replaced with “A dealer shall have 30 calendar days following the date of the citation to complete the corrective actions, with the following exceptions.”

This is necessary to clarify that a dealer shall have 30 calendar days following the date of the citation to complete any corrective actions and introduce the exceptions in the subsequent subparts (i-ii).

In subdivision (a), subsection (4), subpart (i) was added before the first exception. “T” was added and “t” was deleted for grammatical purposes.

In subdivision (a), subsection (4), “(ii) The compliance date is stayed when an appeal is pending pursuant to section 4020. Appeals shall be conducted in accordance with the Administrative Procedure Act (Government Code section 11500 et seq.); and” was added. This is necessary to clarify that a dealer does not have to correct a civil fine when a dealer has appealed pursuant to section 4020. This also clarifies that all appeals will be conducted in accordance with the Administrative Procedure Act.

In subdivision (a), subsection (5), “T” was added and “t” was deleted for grammatical purposes.

In subdivision (a), subsection (6) was added. It states “(6) The dealer shall notify the Department of the completed corrective action in a manner prescribed by the Department on the citation. The manner prescribed shall be on a case by case basis and the factors include but are not limited to, the nature and complexity of the violation, dealer’s history of compliance, and the number of violations.” This addition is necessary to describe how a dealer properly notifies the Department of the completed corrective action. This is also necessary to clarify that the corrective action and manner of notification will be described on the citation and prescribed on a case by case basis with certain potentially applicable factors.

In subdivision (b), “01/2026” was deleted and “02/2026” was added to properly identify the Form BOF 1112 date.

In subdivision (d), “assessment indicated on” was deleted because it is superfluous. “In the instances where the Department determines that the violation cannot be reasonably corrected in 30 calendar days pursuant to subdivision (a)(4)(A), the payment due date for the civil fine shall be the compliance date” was added. This is necessary to clarify that in the instances where the dealer was given more than 30 days to correct a violation, the payment due date for the civil fine shall be aligned to the compliance date.

## **§ 4017. Violation Level.**

In subdivision (b), “01/2026” was deleted and “02/2026” was added to properly identify the Form BOF 1050 date.

In subdivision (b)(1), “and” was added for grammatical purposes. In subdivision (b) (2), “;” was deleted and “.” was added for grammatical purposes.

Subdivision (b), subsections (3-5), were deleted. This change is necessary to simplify, clarify and eliminate any culpability assessment for the Department’s evaluation of violations not included on Form BOF 1050. The Department will use the remaining two factors in subdivision (b), subsections (1-2) to evaluate violations not included on Form BOF 1050.

#### **§ 4020. Appeals.**

In subdivision (a), “civil fine” was replaced with “citation.” This change is necessary to clarify that a dealer may appeal either the imposition of a civil fine or corrective action that may be contained in citation as opposed to just the civil fine.

Also, in subdivision (a), “assessment indicated on” was deleted. This change is necessary to clarify that a dealer can appeal no later than 30 calendar days after the date of the citation.

Also, in subdivision (a), “Civil fines are stayed if a timely appeal is received” was added.

This change is necessary to clarify that civil fines will not be due in the event that a timely appeal is received by the Department.

In subdivision (a), subsections “(1)” and “(2)” were added to make subdivision (a) easier to understand.

In subdivision (a), subsection (1) “issuance of the new” was added. This change is necessary to clarify that dealers who are granted an extension to correct a Level 1 or Level 2 violation have an additional 30 calendar days from the issuance of the new correction date to file a timely appeal.

In subdivision (a), subsection (2) “assessment indicated on” was deleted. This change is necessary to clarify that the deadline to appeal a fine from a Level 3 or Level 4 violation is 30 calendar days from the date of the citation, not the date of “assessment” which was a vague term.

In subdivision (b), “01/2026” was deleted and “02/2026” was added to properly identify the Form BOF 1112 date.

Throughout the regulation text grammatical revisions were made along with renumbering to ensure hierarchal consistency.

#### **BOF 1050 Firearm Dealer Violation List**

The form date was corrected from “01/2026” to “02/2026.”

Under Level 1, the citation for Penal Code section “26785” was corrected to “26875.”

Under Level 1, the reference to Penal Code section 26880, “Misstatement of Government Fees” and Penal Code 29830, subdivision (c), “Failure to report prohibited storage of firearm(s), ammunition, or ammunition feeding device(s)” were deleted.

Under Level 1, the description for Penal Code section 26840, subdivision (a), California Code of Regulations, title 11, section 4254, subdivision (g), was corrected from “Firearms Safety Certificates are not signed” to “Invalid Firearms Safety Certificates.”

Under Level 1, the description for Penal Code section 26892, subdivision (e)(2), was corrected from “Failure to report 45-day hold of firearm(s) after voluntary storage return denied” to “Failure to report 45-day hold of firearm(s) after voluntary storage return denied.”

Under Level 2, the reference to Penal Code section 31635, California Code of Regulations, title 11, section 4259 “Firearms Safety Certification Instructor Certificate does not meet requirements” was deleted.

Under Level 2, a violation of Penal Code section 26920, “Failure to provide proof of completion of annual training and certification” was added.

Under Level 2, the description for Penal code section 28160, was corrected from “Dealer Record of Sale Information is completed” to “Dealer Record of Sale Information is not completed.”

Under Level 2, the description for Penal code section 23635, was corrected from “Dealer is unable to provide or confirm firearm safe or safety device-documentation-after sale or transfer resulting in dealer being unable to confirm if firearm safety device is DOJ approved” to “Dealer is unable to provide documentation that firearm safe or firearm safety device is on the roster of DOJ approved firearm safety devices.”

Under Level 2, the description for California Code of Regulations, title 11, section 4045, subdivision (f)(1), was corrected from “Photocopies of Federal Limits Apply identification/proof of lawful presence for firearm purchase not retained” to “Photocopies of Federal Limits apply identification/proof of lawful presence for firearm purchase not retained.”

Under Level 2, the description for California Code of Regulations, title 11, section 4045, subdivision (f)(2), was corrected from “Photocopies of Federal Limits Apply identification/proof of lawful presence for ammunition purchase not retained” to “Photocopies of Federal Limits apply identification/proof of lawful presence for ammunition purchase not retained.”

Violation levels were corrected based on the severity of the violation. Many Level 3 violations were reassessed and moved to Level 2. Violations that were inadvertently not included originally were added.

Under Level 2, the following violations were added:

- Missing Dealer Record of Sale of Worksheets (Cal. Penal Code 28215).
- Missing/invalid Large Capacity Magazine Permit (Cal. Penal Code 32315).

- Missing or Invalid Secondhand Dealer license (Cal. Bus. & Prof. Code 21640).
- Copies of valid and signed Firearms Safety Certificates are not retained (Cal. Penal Code 26840(a); 11 CCR 4254(g)).
- Copy of Firearm Safety Certificate exemption is not retained (Cal. Penal Code 31700).
- Incomplete or missing safe handling affidavits (Cal. Penal Code 26850).
- Invalid or missing proof of residency documentation for handgun transactions (Cal. Penal Code 26845).
- Misstatement of Government Fees (Cal. Penal Code 26880).
- Failure to report prohibited storage of firearm(s), ammunition, or ammunition feeding device(s) (Cal. Penal Code 29830 (c)).
- Licensee did not notify DOJ upon delivery of firearm following conclusion of waiting period (Cal. Penal Code 28255).

Under Level 3, the following violations were deleted:

- Missing proof of age for Firearms Safety Certificate Applicant (11 CCR 4245(a)).
- Missing Dealer Record of Sale of Worksheets (Cal. Penal Code 28215).
- Missing/invalid Large Capacity Magazine Permit (Cal. Penal Code 32315).
- Missing or Invalid Secondhand Dealer license (Cal. Bus. & Prof. Code 21640).
- Incorrect, incomplete or missing information documented in Federal Acquisition and Disposition Record Book (Cal. Penal Code 28100).
- Licensee did not notify DOJ upon delivery of firearm following conclusion of waiting period (Cal. Penal Code 28255).
- Copy of valid and signed Firearms Safety Certificates are not retained (Cal. Penal Code 26840(a); 11 CCR 4254(g)).
- Copy of Firearm Safety Certificate exemption is not retained (Cal. Penal Code 31700).
- Incomplete or missing safe handling affidavits (Cal. Penal Code 26850).
- Invalid or missing proof of residency documentation for handgun transactions (Cal. Penal Code 26845).

Under Level 3, the description for Penal Code section 23635 was corrected from “Firearm safety device or firearm safe documentation unconfirmed, no due diligence to ensure firearm safety device exists” to “Firearm safety device or firearm safe documentation unconfirmed, no due diligence to ensure DOJ approved firearm safety device exists.”

Under Level 3, the description for Penal Code section 27535 was corrected from “Failure to maintain a copy of exemption for one firearm purchase per 30-day period” to “Failure to maintain a copy of exemption for three firearms purchased per 30-day period.”

Under Level 3, a violation of Penal Code section 27595, subsection (c) “Failure to maintain semiautomatic machinegun-convertible pistol exemption records” was added.

Under Level 4, a violation of Penal Code section 27595, subsection (a) and subsection (b), subdivision (1) “Sale, exchange gift, transfer, or delivery of any semiautomatic machinegun-convertible pistol without an applicable exemption” was added.

Throughout the BOF 1050 Firearm Dealer Violation List Form edits were made to correct grammar and update cross references.

### **BOF 1112 Firearm Dealer Appeals Form**

The form date was corrected from “01/2026” to “02/2026.”

On page one in the first paragraph, “Appeals must be postmarked or received no later than 30 days after the date of assessment indicated on the citation” was corrected to “Appeals must be postmarked or received no later than 30 days after the date of the citation.”

On page one in the first paragraph, “Firearm dealers who are granted an extension to correct a Level 1 or Level 2 violation have an additional 30 days from new correction due date to file a timely appeal” was corrected to “Firearm dealers who are granted an extension to correct a Level 1 or Level 2 violation have an additional 30 days from the issuance of the new correction due date to file a timely appeal.”

In the privacy notice, the reference to the “Staff Services Analyst” was corrected to “Customer Service Center.”

### **SUMMARY OF COMMENTS AND DEPARTMENT RESPONSES**

Written comments received during the 45-day comment period are included in the rulemaking file under Exhibit 12. Written comments received during the 15-day comment period are included in the rulemaking file under Exhibit 13.

Summaries of public comments and corresponding responses are organized by topic. The specific comments that are represented in the comment summary statement are listed after each comment summary by the commenter number as identified below followed by a dash and numbered comment when a commenter submitted more than one comment.

#### **45-DAY COMMENTS**

**1. Comment:** “This action is disturbing this is a blatant attempt to impede the second amendment by bankrupting small business.” (1-1)

**Reply:** No change has been made in response to this comment. The Department disagrees that these regulations will impede the second amendment by bankrupting small businesses. While the proposed action affects small businesses, the cost impact would only affect licensees who violate the law. Based on past audits and investigations, the Department estimates the impact will be minimal as most firearm dealers comply with most state law requirements or take the necessary corrective action.

**2. Comment:** “We absolutely feel it is unfair to punish a store for a simple mistake such as a missing signature...It would be more acceptable to be there for educational purposes and help us be perfect in our work.” (2-1.) “To impose these extreme fines is really irresponsible of the state

and really mean spirited. We understand you want to punish us right out of existence, but this is totally and completely wrong.” (2-2.) “The cost of compliance may force some dealers out of business.” (3-2.)

**Reply:** No change has been made in response to this comment. The comment’s interpretation of the statute is inconsistent with the language, structure, and intent of the law. For minor violations, such as those found in Level 1 and Level 2, a firearm dealer will receive notice of the violation and an opportunity to correct the violation by a reasonable compliance date. No civil fine is imposed if the dealer corrects the violation by the compliance date. Eliminating the civil fine for lower-level violations that are corrected encourages dealers to correct violations and serves an educational purpose.

Pursuant to Penal Code section 26800, the Department may impose a civil fine not exceeding \$1,000 for a violation of any breach of a prohibition or requirement that subjects the license to forfeiture under subdivision (a), and a civil fine not exceeding \$3,000 for a violation of those prohibitions or requirements that subjects the license to forfeiture. Indeed, the Department set the civil fines for Level 1 and Level 2 well below \$1,000. The fine amounts are high enough to motivate compliance, but reasonable enough as to not cause extreme financial hardship (e.g., business closure; employee lay-offs).

**3. Comment:** “The sale and transfer of firearms are closely tied to the Second Amendment of the U.S. Constitution. By threatening dealers – who serve as lawful access points for exercising these rights with excessive fines the Department risks chilling lawful activity.” (3-1.) “The Democratic Governor and the Democratic majority in the Legislature continue with their systemic bias and disdain for the firearms industry, firearms dealers and California citizens who choose to both exercise and cherish their second amendment rights.” (4-8.)

**Reply:** Irrelevant. The comment is not directed at the proposed regulations or the rulemaking procedures followed. Penal Code section 26800 establishes the authority for the Department to implement civil fines. Penal Code section 26800 is constitutional.

**4. Comment:** “BOF 1050 violation list spans three pages of detailed infractions many of which are technical, redundant or overlapping in nature.” (3-3.)

**Reply:** No change has been made in response to this comment. The comment does not provide sufficient specificity for the Department to make any modifications to the text.

**5. Comment:** “Minor paperwork infractions may result in fines.” (3-4.)

**Reply:** No change has been made in response to this comment. The comment’s interpretation of the statute is inconsistent with the language, structure, and intent of the law. For minor violations, such as those found in Level 1 and Level 2, a firearm dealer will receive notice of the violation and an opportunity to correct the violation by a reasonable compliance date. No civil

fine is imposed if the dealer corrects minor violations by the compliance date. See Response No. 2.

**6. Comment:** “The Department justifies the authority to fine dealers based on speculative public safety threats.” (3-5.)

**Reply:** No change has been made in response to this comment. Penal Code section 26800, subdivision (c), allows the Department to adopt regulations setting fine amounts. The proposal would benefit the health and welfare of California residents by increasing compliance from firearm dealers. Having well-regulated firearm dealers directly protects the health and welfare of California. Ensuring firearms are being sold and transferred safely and legally in California is essential for protecting the public from the potential dangers of firearms. For the reasons set forth in the ISOR, the regulation is necessary.

**7. Comment:** “No consideration was given to education-based compliance programs, non-monetary warnings, or remedial training, which would better align with the goals of improving public safety without punishing good faith actors.” (3-6.)

**Reply:** No change has been made in response to this comment. The comment’s proposed change is not as effective as the proposed regulation. Consideration has been given to education-based compliance programs, non-monetary warnings, and remedial training, from the inception of compliance inspections. For at least three decades, the Department has issued warnings to non-compliant dealers with no civil penalties attached and has continued to struggle with non-compliance from dealers. Over 32% of inspections in 2024 still have outstanding violations today, with anywhere from between 9-21 months since the inspection occurred and firearm dealers still not complying with providing the Department with corrections.

Good faith actors will continue to have the opportunity to correct most violations without incurring civil penalties. Only the most egregious violations, which are a threat to public safety, may not be corrected without incurring a penalty. Compliance inspections will continue to focus on education and remedial training for dealers and their employees.

The Department offers resources for training and compliance to every dealer. The Department also provides free dealer training on a regular basis via online webinar. All firearm dealers are notified and encouraged to attend. The Department has a dedicated phone number for dealers to call for questions about the Dealer Record of Sale (DROS) Entry System (DES) and firearm transactions. Additionally, each dealer has a designated Field Representative who is available to answer questions. Dealers are provided their Field Representative’s business card when first licensed or upon request. These opportunities for education remain available.

**8. Comment:** While an appeal exists, the burden remains on the dealer to contest what may be unclear, inconsistent, or over-enforced findings. This creates a presumption of guilt rather than a presumption of good faith. (3-7.)

**Reply:** No change has been made in response to this comment. The comment does not provide sufficient specificity for the Department to make any modifications to the text. The proposed appeal process complies with due process.

**9. Comment:** These regulations – though well-intended – overreach, endanger the economic viability of law abiding dealers, and undermine the lawful exercise of constitutional rights. (3-8.)

**Reply:** No change has been made in response to this comment. Penal Code section 26800, subdivision (c), allows the Department to adopt regulations setting fine amounts. For the reasons set forth in the ISOR, the regulation is necessary. See Response Nos. 2 and 3.

**10. Comment:** “They failed to discuss a current alternative they can use to gain compliance by presenting a citation of violation to the local district attorney and having it adjudicated in a local court.” (4-1.)

**Reply:** No change has been made in response to this comment. The comment’s interpretation of the statute is inconsistent with the language, structure, and intent of the law. Penal Code section 26800 expressly grants the Department the authority to issue civil fines. It does not create a citation process that is adjudicated by the local court. Nothing in the regulations would preclude a district attorney’s office from involvement, but pursuing the civil fines is a matter for the Department.

**11. Comment:** “This civil fines on firearms dealers scheme lacks any checks and balances.” (4-2.)

**Reply:** No change has been made in response to this comment. The comment does not provide sufficient specificity for the Department to make any modifications to the text. The comment objects to Penal Code section 26800, not the proposed regulations. The Department cannot implement regulations that alter or amend a statute or enlarge or impair its scope. Regarding the lack of any checks or balances, a dealer may appeal a citation as explained in section 4020. All appeals are adjudicated by the Office of Administrative Hearings.

**12. Comment:** “...to a small business these fines are excessive for the minor violations that may have been made. More of the level 3 and level 4 violations should be moved to level 1 and level 2 categories.” (4-3.)

**Reply:** No change has been made in response to this comment. The Department has made every effort to limit the burden of the regulations while implementing Penal Code section 26800. Firearm dealers will have the opportunity to correct most violations without facing civil penalties. Only the most egregious violations, which are a threat to public safety, may not be corrected without incurring a penalty. See Response No. 2.

**13. Comment:** Since the Department admits that dealers mostly comply, is this civil fines scheme even necessary when existing remedies are available? (4-4.)

**Reply:** No change has been made in response to this comment. See Response Nos. 6 and 9.

**14. Comment:** “Nothing in the proposed regulations prevents firearm dealer inspections from turning into fundraising operations....all government agencies have an insatiable desire for more money.” (4-5.)

**Reply:** No change has been made in response to this comment. The comment is not directed at the proposed regulations or the rulemaking procedures followed. See Response Nos. 2 and 7.

**15. Comment:** The funds should go into California’s General Fund instead of DOJ accounts. (4-6.)

**Reply:** Irrelevant. The comment is not directed at the proposed regulations, or the rulemaking procedures followed. Penal Code section 26800, subdivision (d), provides that civil fines shall be deposited into the Dealers' Record of Sale Special Account of the General Fund, to be available, upon appropriation, for expenditure by the Department to offset the reasonable costs of firearms-related regulatory and enforcement activities related to the sale, purchase, manufacturing, lawful or unlawful possession, loan, or transfer of firearms pursuant to any provision listed in Penal Code section 16580. The Department cannot implement regulations that alter or amend a statute or enlarge or impair its scope.

**16. Comment:** The proposed regulations don’t address the problem of dealer inspectors job performance evaluations. A financial incentive direction should not be allowed and job performance evaluations should not include the number of civil fines made or the dollar amount in civil fines collected. (4-7.)

**Reply:** No change has been made in response to this comment. The comment falls outside of the scope of the rulemaking as described in the Notice of Proposed Rulemaking published on June 6, 2025. A Field Representative’s job performance is not based on the number of citations issued or civil fines imposed.

## **15-DAY COMMENTS**

### **General**

**1. Summary:** “The gun laws are already the strictest in the country and this doesn’t help the second amendment. The right to bear arms is in the constitution for a reason.” “I am an FFL dealer in California supporting our 2A (second amendment) rights under the constitution.” “Firearms dealers already operate under an extensive and complex framework of federal and state regulations.” (1-1, 2-1, 5-1)

**Reply:** No change has been made in response to these comments, which are interpreted to be observations rather than specific recommendations to change these regulations.

**2. Summary:** “This is a money grab – designed to line the pockets of the government ....” This is a fundraising operation. “All government agencies have an insatiable desire for more money.” “[T]he proposal will allow the DOJ to assess the civil fines and then get to keep any money collected without any oversight by outside government entities ....” “This is an ideal mechanism to add funds to the DOJ ....” “[W]hy not change the proposed regulations so any civil fines go into California’s General Fund instead of DOJ accounts.” “It would remove the financial incentives for DOJ, limit unethical conduct for financial gain claims [sic] and conflict of interest allegations ....” (1-2, 3-3, 3-5)

**Reply:** No change has been made in response to these comments. Comments object to the Penal Code, and the Department cannot implement regulations that alter or amend the statute, or enlarge or impair its scope. Pursuant to Penal Code section 26800, subdivision (d), the money collected from civil fines must be deposited into the Dealers' Record of Sale Special Account of the General Fund “to be available, upon appropriation, for expenditure by the department to offset the reasonable costs of firearms-related regulatory and enforcement activities related to the sale, purchase, manufacturing, lawful or unlawful possession, loan, or transfer of firearms pursuant to any provision listed in Section 16580.”

**3. Summary:** “[C]hecks and balances are a bedrock element of our system of government. This system of civil fines on firearms dealers lacks any system of checks and balances ....” (3-1)

**Reply:** No change has been made in response to this comment, which is interpreted to be an observation rather than a specific recommendation to change these regulations. Comments object to the Penal Code, and the Department cannot implement regulations that alter or amend the statute, or enlarge or impair its scope. A dealer may appeal a citation as explained in section 4020.

**4. Summary:** “With a five-page list of violations subject to these civil fines, inspectors will always be able to find a minute error to fine a dealer for in this heavily regulated industry.” “The potential and likely abuse of the civil fines scheme is real.” “DOJ will have another tool to harass dealers with civil fines when DOJ admits they are already mostly complying.” (3-2, 3-4)

**Reply:** No change has been made in response to this comment, which is interpreted to be an observation rather than a specific recommendation to change these regulations. Violations will be classified as Level 1, 2, 3 or 4 based on the level of severity. Level 1 and 2 violations that are corrected by the compliance date are not subject to a civil fine. Eliminating the civil fine for lower level violations that are corrected encourages dealers to correct violations timely.

**5. Summary:** “The statute does not authorize the creation of a multi-tiered classification system, incorporation of external violation lists, or reliance on discretionary factors not identified by the Legislature.” “An agency may not adopt regulations that alter or enlarge the scope of the statute it administers.” “The proposed regulations exceed the Department’s statutory authority, are not demonstrated to be reasonably necessary, and do not provide sufficiently clear standards to

ensure consistent application.” “The proposed modifications go beyond clarification and instead expand administrative enforcement authority in ways that risk creating duplicative, inconsistent, and unnecessary punitive compliance burdens.” (4-1, 4-4, 4-8, 5-2)

**Reply:** No change has been made in response to this comment. Penal Code section 26800 allows the Department to promulgate rules and regulations for the implementation of civil fines, including setting fine amounts and providing a process for a licensee to appeal a fine. For the reasons set forth in the ISOR, the regulation is necessary. These general comments do not provide sufficient specificity for the Department to make any modifications to the text.

**6. Summary:** “Taken together, these provisions will increase costs, heighten regulatory risk, and place additional strain on small and independent dealers. The likely result is fewer licensed dealers operating within California, reducing lawful access while doing little to address illicit activity.” (5-6)

**Reply:** No change has been made in response to this comment. The Department has made every effort to limit the burden of the regulations while implementing Penal Code section 26800. Dealers who are compliant with all applicable laws will have no civil fines assessed. Further, the most minor violations described in BOF Form 1050 will not incur any civil fine if they are corrected. (See Cal. Code Regs., tit.11, § 4016, subd. (e).)

**7. Summary:** “For these reasons, we respectfully urge the Department to reconsider the proposal and, at minimum, to incorporate clear limitations on inspection authority, ensure that penalties are proportionate and tied to willful violations, and provide meaningful safeguards that protect against arbitrary enforcement.” (5-7)

**Reply:** No change has been made in response to this comment. The civil fines are appropriate and commiserate with the violations. Firearm dealers will have the opportunity to correct most violations without facing civil penalties. Only the most egregious violations, which are a threat to public safety, may not be corrected without incurring a penalty.

### **Sections 4014 and 4015**

**8. Summary:** “The inspection provisions under sections § 4014 and § 4015, raise particular concern. While inspections are an established tool, the proposal grants broad discretion without clear, limiting standards on scope or application. This lack of defined boundaries invites inconsistent enforcement and creates uncertainty for otherwise compliant businesses.” (5-3)

**Reply:** Pursuant to Government Code section 11346.8, subdivision (c), and section 11346.9, subdivision (a)(3), the Department need not respond to a comment submitted during the re-notice period if it does not specifically relate to the changes to the regulation text announced during the re-notice period. The Department did not change proposed section 4014 during the re-notice period. As to section 4015, no change has been made in response to this comment, which is

interpreted to be an observation rather than a specific recommendation to change these regulations.

### **Sections 4016 and 4017**

**9. Summary:** “The proposed regulations introduce a four-level classification structure (Proposed § 4016(c)), incorporate Form BOF 1050 to define violations (Proposed § 4017(a)), and allow classification based on open-ended factors such as “nature and gravity” and “actual or potential harm” (Proposed § 4017(b)(1)–(5)).” “The regulations rely on undefined, open-ended terms such as ‘nature and gravity,’ ‘actual or potential harm,’ and ‘pattern or practice’ (Proposed § 4017(b)). These terms do not provide objective standards sufficient to ensure consistent application ....” As a result, the regulations do not provide sufficiently clear standards to ensure consistent interpretation and application. “The civil fine structure, under section § 4016, and violation levels under section § 4017, are equally troubling. The regulations authorize significant penalties for violations that may be technical or inadvertent. Without meaningful distinctions between willful misconduct and good-faith errors, the framework risks penalizing routine compliance challenges rather than addressing deliberate wrongdoing. (4-2, 4-6, 5-4)

**Reply:** Pursuant to Government Code section 11346.8, subdivision (c), and section 11346.9, subdivision (a)(3), the Department need not respond to a comment submitted during the re-notice period if it does not specifically relate to the changes to the regulation text announced during the re-notice period. The Department did not change proposed section 4016, subdivision (c) or proposed section 4017, subdivision (a), during the re-notice period. As explained in the ISOR, violations will be classified as Level 1, 2, 3 or 4 based on the level of severity. Level 1 and 2 violations that are corrected by the compliance date are not subject to a civil fine. Eliminating the civil fine for lower level violations that are corrected encourages dealers to correct violations timely.

The Department deleted proposed section 4017, subdivisions (b) (3-5) during the re-notice period. Three factors were deleted in order to simplify the process by which the Department determines how to classify a violation that does not appear on BOF Form 1050. The two remaining factors in the proposed section 4017, subdivision (b)(1-2) are (1) nature and gravity of the violation and (2) actual or potential harm. These two factors are a sufficiently clear criteria by which to assess a violation that is not listed in BOF Form 1050. Accordingly, no change has been made in response to this comment. Penal Code section 26800 allows the Department to promulgate rules and regulations for the implementation of civil fines, including setting fine amounts.

**10. Summary:** “By conditioning fines on regulatory classifications and non-statutory criteria, the regulations expand the statutory scheme by basing penalties on criteria not found in Penal Code § 26800. Penal Code § 26800(b) specifies the conditions under which enhanced fines may be imposed, including post-notification failure to correct and knowing or grossly negligent violations. The regulations instead condition penalties on regulatory classifications and discretionary factors, rather than those statutory triggers.” “The addition of layered

classifications introduces complexity not required by the statutory framework. An agency must demonstrate that its chosen regulatory approach is reasonably necessary, not merely convenient or preferable.” “By introducing a multi-level classification system, incorporating external violation lists, and conditioning penalties on discretionary factors not found in Penal Code § 26800, the regulations expand—rather than implement—the statutory scheme.” (4-3, 4-5, 4-9)

**Reply:** No change has been made in response to this comment. The Department disagrees with the comment’s interpretation of the statute. The regulation is consistent with the language, structure, and intent of the law. Penal Code section 26800, subdivision (b) allows the Department to assess a civil fine not to exceed one thousand dollars. It also states a set of conditions when a dealer’s license may be subject to forfeiture under subdivision (a), and the Department can assess a civil fine, in an amount not to exceed three thousand dollars. These are two distinct circumstances and Penal Code section 26800 allows the Department to promulgate rules and regulations for the implementation, including setting fine amounts. The Department had a necessity to set levels of violations to ensure civil fines were appropriate and commiserate with violations.

**11. Summary:** “The incorporation of Form BOF 1050 (Proposed § 4017(a)) raises concerns under the APA’s reference standard. The rulemaking record does not clearly identify the contents or operative effect of the incorporated material, raising concerns under Government Code §11349.1(a)(5).” (4-7)

**Reply:** No change has been made in response to this comment. Form BOF 1050 was properly incorporated by reference and included in the regulations package in accordance with California Code of Regulations, title 1, section 20.

### **Sections 4016 and 4018**

**12. Summary:** “[T]he 30-day compliance period (§ 4016) may not be feasible for some violation corrections, with the extension process under section § 4018, possibly being cumbersome.” (5-5)

**Reply:** Pursuant to Government Code section 11346.8, subdivision (c), and section 11346.9, subdivision (a)(3), the Department need not respond to a comment submitted during the re-notice period if it does not specifically relate to the changes to the regulation text announced during the re-notice period. The Department did not change proposed § 4018 or alter the 30-day compliance period during the re-notice period.

### **Questions**

**13. Summary:** “It is unclear what we are commenting about. Is it the showing of changes (like strikethrough, and other formatting)? Or is this an invitation to comment on the level of violations, the fine amounts processes, etc.?” (6-1)

**Reply:** The Department replied to the questions with the following statement: You may comment on the proposed regulations, including the level of violations, the fine amounts and processes. As

indicated on the Notice, we ask that the comments be limited to the March 12 modifications to the text.

### **LOCAL MANDATE DETERMINATION**

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

### **ALTERNATIVES DETERMINATIONS**

In accordance with Government Code section 11346.9, subdivision (a)(4), the Department has determined that no alternative it considered, or that it otherwise identified, or was 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.

The Department has determined that the proposed regulations are the most effective way to assess civil fines for firearm dealers.

The Department has considered other reasonable alternatives regarding performance standards. To ensure dealer compliance, the Department must impose specific requirements to make clear all aspects regarding dealer inspections, review, verification of inspection findings, appeals, and collections. The Department has determined that the DES is the most efficient way to collect money and information from firearm dealers. Currently, the Department is working on a larger firearms IT project, which will include the funding required to upgrade DES and implement a method by which the Department can collect civil fines and information from firearm dealers. Therefore, the Department has concluded that, at this time, a manual process of tracking and collecting money and information regarding civil fines is the most efficient and least expensive method.

### **ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES**

The Department finds that no reasonable alternatives were presented to, or considered by, the Department that would lessen any adverse impact on small business. Requiring the dealer to pay the fine amounts, which would only be imposed to dealers who are not in compliance, range from \$100 to \$3,000 depending on the severity of the violation. The fine amounts are high enough to motivate compliance, but reasonable enough not to cause extreme financial hardship. Further, most fines can be avoided altogether with compliance within thirty days.

### **DOCUMENTS INCORPORATED BY REFERENCE**

1. Firearm Dealer Civil Violation List (form BOF 1050, Orig. 02/2026). Sections affected: 4017.
2. Firearm Dealer Appeals Form (form BOF 1112, Orig. 02/2026). Sections affected: 4016 and 4020.

The above forms are incorporated by reference because it would be cumbersome, unduly expensive, or otherwise impractical to publish the forms in the California Code of Regulations. During the rulemaking proceeding, the forms were made available upon request and were available for viewing on the Department's website.

**NON-DUPLICATION**

Some of the regulations may repeat or rephrase in whole or in part a state or federal statute or regulation. This was necessary to satisfy the clarity standard set forth in Government Code section 11349.1, subdivision (a)(3).