

**CALIFORNIA DEPARTMENT OF JUSTICE**

**TITLE 11. LAW**

**DIVISION 5. FIREARMS REGULATIONS**

**CHAPTER 15. GUN SHOWS**

**ATTACHMENT A**

**STD 399 Economic and Fiscal Impact Statement**

**ECONOMIC IMPACT STATEMENT**

**A. Estimated Private Sector Cost Impacts:**

3. Number of Businesses Impacted: Penal Code section 23710 allows the Department of Justice (“DOJ” or “the Department”) to conduct inspections of firearms dealers, ammunition vendors, or manufacturers participating in a gun show or event. For the workload identified in AB 2061, the DOJ anticipates 55 gun shows in 2025 and inspecting 32 of these gun shows.

According to the Department’s records, as of December 17, 2024, there are 10 active gun show producers. Therefore, the Department estimates that the total number of businesses that may be directly impacted by these regulations is 10 (these numbers are subject to change as new producers are approved and others are denied).

Based upon documents submitted to and verified by the Department, no active gun show producer has more than one permanent location, nearly all are incorporated only in California with one gun show producer in Utah, and all gun show producers are independently owned with no more than 15 employees per show. Therefore, using the consolidated small business definition in Government Code section 11346.3, subdivision (b)(4)(B), as a guide, the Department estimates that all current gun show producers are considered “small businesses”.

**B. Estimated Costs:**

1. Total Statewide Dollar Costs: There are no costs associated with these regulations. All costs to gun show producers and prospective gun show producers are attributable to statutes.

To become a gun show producer, prospective gun show producers must be approved and have a valid Certificate of Eligibility (“COE”), along with the signed “Provision” statement and payment. (Pen. Code, § 27200.) Gun show producers must also pay an annual fee, which is set by statute. (Pen. Code, § 27200, subd. (e).)

**D. Alternatives to the Regulation:**

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not:

Penal Code section 27200, subdivision (b)(3), requires a gun show producer applicant to provide an annual list of the gun shows or events that the applicant plans to promote, produce, sponsor, operate, or otherwise organize during the year for which the COE is issued, including the date, time, and location of the gun shows or events. Before a scheduled event, they must provide the Department with the BOF 104 (Annual Event and Security Plan), BOF 105 (list of vendors) and insurance. The Department will then verify the information provided and generate a letter to send to the Producer stating which vendors on the list can or cannot be at the show.

The Department did not consider alternatives to the regulation. Two simple forms are required for the gun show producers to report the required information. The Department does not anticipate any additional costs associated with these two forms.

## **FISCAL IMPACT STATEMENT**

### **B. Fiscal Effect on State Government**

The fiscal impact of the regulations includes the costs to the Bureau of Firearms to process the gun show producer applications and review the BOF 104 and BOF 105. The amount of time varies for review of the applications depending on the number of vendors the producers list on the BOF 105. A Crime Analyst II (“CA II”) from the Business Compliance Unit (“BCU”) spends approximately four hours reviewing the BOF 104, BOF 105 and doing background checks. Once the CA II review and conduct background checks on potential vendors, the CA II will produce an Approval Letter for BOF managers to approve. After the Approval Letter is signed, the CA II sends the producers a copy of the Approval Letter via email. Based on the 2024/2025 benefit and salary range for a CA II (\$33.69 per hour), and assuming four hours of review and approval for each BOF 104 and BOF 105 application across approximately 55 gun shows next year, the fiscal impact will be approximately \$7,411.80 ( $\$33.69 \text{ CA II hourly rate} * 4 \text{ hours of review per application} * 55 \text{ gun shows for 2025}$ ).

The fiscal impact of gun show inspections was accounted for in the AB 2061 (2020) Budget Change Proposal. The Department requested 2 positions and \$152,000 from the Dealers’ Record of Sale Special Account in 2021-22, \$600,000 in 2022-23, and \$445,000 annually thereafter to inspect gun shows per the mandates of Chapter 273, Statutes of 2020 (AB 2061). The Department requested two (2) Field Representatives to perform compliance inspections on gun show producers and vendors. This includes annual overtime necessary to perform the inspection of licensees, including proper signage and identification, the lawful performance of firearm and ammunition transactions, and the security of facilities. Field Representatives report any suspected criminal activity to Special Agents so that Special Agents may address any potential safety concerns or apprehensions.