

Date of Hearing: June 2, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
AB 2362 (Muratsuchi) – As Introduced February 18, 2020

Policy Committee: Public Safety

Vote: 6 - 2

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes the Department of Justice (DOJ) to impose a civil fine of up to \$1,000 against a firearms dealer for a breach of prohibitions relating to firearms dealer licensing and up to \$3,000 if the firearms dealer has been notified of a violation and failed to correct the identified violation.

FISCAL EFFECT:

Costs (GF/Dealer Record of Sales Fund/Legal Services Revolving Fund) to the DOJ of \$213,000 in FY 2020-21, \$676,000 in FY 2021-22, \$537,000 in FY 2022-23, \$371,000 in FY 2023-24 and \$175,000 annually thereafter in additional staff for licensing and enforcement.

COMMENTS:

1) **Purpose.** According to the author:

AB 2362 would improve public safety and bring increased accountability, transparency, and security to gun sales in California by authorizing DOJ to fine irresponsible dealers who break the law.

- 2) **Firearms Dealer Licensing.** In order to operate in California, firearms dealers and license holders must have: (a) a Federal Firearms License; (b) a license issued by a county or other local agency and (c) a Certificate of Eligibility issued by the DOJ. If a dealer has all of these items, they are included on the DOJ-maintained centralized list that allows them to operate their business. This bill proposes new fines related to violations of DOJ firearms licensing requirements. Fine are up to a \$1,000 civil fine for simple violations, and up to \$3,000 fines for violations when the licensee previously received written notification from the DOJ regarding the violation and failed to take corrective action, or the DOJ determines that the licensee committed the breach knowingly or with gross negligence. Imposing civil fines and allowing for an opportunity to fix licensing errors makes more sense than pulling a firearms dealer's license for any violation, no matter how minor.
- 3) **Related Legislation.** AB 1064 (Muratsuchi), of the 2019-2020 Legislative Session, is similar to this bill in that it proposed graduated fines be imposed by the DOJ for breaches of regulations and requirements related to firearms dealers. AB 1064 was held on the Senate Appropriations Committee Suspense File.

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