

SENATE THIRD READING
SB 1384 (Min)
As Amended August 4, 2022
Majority vote

SUMMARY

Requires licensed firearm dealers (licensees) to install specified security measures, submit proof of compliance with specified requirements, and carry general liability insurance policies.

Major Provisions

- 1) Requires a licensee, commencing January 1, 2024, to install and maintain a digital surveillance system that:
 - a) Has cameras permanently mounted in fixed locations capturing:
 - a. The interior view of all entry,
 - b. All areas where firearms are displayed,
 - c. All points of sale; and;
 - d. The identity of any person recorded, to the extent reasonably possible.
 - b) Records 24 hours a day at a frame rate no less than 15 frames per second;
 - c) Records audio inside the premise;
 - d) Stores and maintains recordings for a period of one year;
 - e) Has a visible timestamp that includes the date and time; and,
 - f) Is equipped with a notification feature alerting of any interruption or failure of the system or storage device.
- 2) Prohibits the release of any recordings except for purposes of the Department of Justice (DOJ) compliance inspections, search warrants or other court orders, responding to insurance claims, and as part of civil discovery court orders.
- 3) Mandates that licensees must carry a general liability insurance policy of at least one million dollars per incident commencing July 1, 2023, and does not preclude local authorities from requiring more stringent maintenance of liability insurance.
- 4) Requires that the DOJ remove any licensee from the centralized list of firearms, if such licensee failed to provide proof of compliance with specified video surveillance requirements.

COMMENTS

According to the Author

"To ensure gun owners are educated about the dangers of firearm usage, this bill requires the California Department of Justice to develop and make available to each licensed firearms dealer, a training course in the conduct of ammunition and firearm transfers [...]. The training course shall include an examination with not less than 20 questions derived from the course materials and intended to confirm that a course participant has learned the information covered by the course. To receive certification of completion of the course, a participant must answer at least 70 percent of the examination questions correctly. Not less frequently than annually, the Attorney General shall review the training course materials, and revise them as necessary.

"Every new and current employee and other personnel engaged in the retail sale of ammunition, firearms, rifles, and shotguns shall annually complete the training outlined above, and must complete a certification with the DOJ. No employee or agent of any retail dealer shall participate in the sale or disposition of firearms, rifles, or shotguns unless such person has first received the training required by this section. Retail dealers shall keep a record of the completion of this training, which may be requested by DOJ at any time. The DOJ shall promulgate regulations setting forth minimum requirements for the maintenance of records of such training. [...]

"Additionally, every dealer shall carry insurance coverage against liability for damage to property and for injury to or death of any person related to the sale, delivery, lease, or transfer of ammunitions, a firearm, rifle, or shotgun in amounts appropriate to its level of sales, but no less than one million dollars for each incident of damage, injury, or death."

Arguments in Support

According to the bill's sponsor, *Brady United Against Gun Violence*, "Gun dealers play the critical role of gatekeepers, including using the Brady Background Check System to confirm the eligibility of potential gun purchasers, and their conduct has a direct bearing on whether guns are diverted to illegal markets through straw sales or theft, or are made available to individuals who would harm themselves or others. Almost all guns enter circulation through the legal market: built by licensed manufacturers and sold by gun dealers. Illegal guns begin as legal firearms, initially sold by dealers and subsequently funneled into an illegal market, often through straw purchases where a person buys a firearm on behalf of another while falsely representing that it is for themselves. Straw purchases, which undermine the background check system, make it more difficult for law enforcement to trace illegal guns, or guns or bullet casings found at crime scenes. Straw purchases are the most frequent type of trafficking channel identified in investigations carried out by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Shockingly, ATF inspection reports show that dealers that allow straw purchases are often allowed to stay in business. ...

"This legislation is critical to curbing dangerous sales, preventing guns from being diverted into the criminal market and reducing the likelihood of straw purchases, theft, burglary, and loss of inventory. This bill strengthens gun dealer standards and oversight in California to ensure that gun dealers have the tools they need to prevent gun trafficking and understand that they have an obligation to engage in responsible business practices. Specifically, this bill will require firearm retailers and their employees to complete regular training created and overseen by the California

Department of Justice to prevent illegal sales and enhance their business practices; require retailers to implement point of sale and external video and audio surveillance intended to prevent dangerous sales and theft of firearms; require retailers to maintain \$1 million in liability insurance while in the business of selling firearms, to ensure that victims of negligent, irresponsible, or criminal actions can be compensated; and includes additional mandated security standards to prevent theft, including 'smash and grab' events." [citations omitted]

Arguments in Opposition

According to one private individual, "This bill has items that a person working under the state law from his home as a Gun Smith for over 45 years will be basically put out of business.

"1. The camera system is very hard to understand why we would need 3 years storage requirements. Then you want inside and out of my doors on my home. I would think that inside the house would be enough coverage. I have 4 inside cameras that store to a hard drive now. But the size of the drive would be pretty big for 24 hours 365 days a year for 3 years. 3 years is the time the DOJ wants paper work [sic] saved so I think the author probably just added to this.

2. The insurance of \$1m [sic] sounds ok because I already carry this amount.

3. The part for protecting entry doors with posts is not going to be feasible in a neighbor hood [sic]. Drilling my driveway and blocking the garage door would probably do something to my driveway and city ordinance issues I'm sure will come into play.

4. Keyless door lock system, This [sic] again is not going to be feasible for home. Each person in my family to have their own "code" to get in is rather over kill [sic] to a home in a residential neighborhood where people are across the street and on both sides of the house 24/7. I have lived in this house for over 25 years without any issues of crime.

5. Alarm system is not as issue for me with glass breakage added because Bay Alarm covers this on my home and business already.

6. All guns and gun parts are inside of Gun safes that are 'Ca approved' for fire and locking bolts per the law by the DOJ. They are locked all the time and no one has access to them except myself."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, Costs (Dealer Record of Sales (DROS) Account and General Fund (GF)) in the mid-hundreds of thousands of dollars to low millions of dollars to the DOJ for additional staff and information technology systems to ensure security compliance. DOJ notes costs vary depending on whether the certification requirements specified in the bill requires contracting for third party software or if DOJ is required to create an in-house certification system.

VOTES**SENATE FLOOR: 27-9-4**

YES: Allen, Atkins, Becker, Bradford, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hueso, Kamlager, Laird, Leyva, Limón, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Borgeas, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk

ABS, ABST OR NV: Archuleta, Caballero, Hertzberg, Hurtado

ASM PUBLIC SAFETY: 5-2-0

YES: Jones-Sawyer, Mia Bonta, Bryan, Quirk, Santiago

NO: Lackey, Seyarto

ASM APPROPRIATIONS: 11-4-1

YES: Holden, Bryan, Calderon, Carrillo, Mike Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

NO: Bigelow, Megan Dahle, Davies, Fong

ABS, ABST OR NV: Eduardo Garcia

UPDATED

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