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THIRD READING

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Bill No: SB 241  
Author: Min (D)  
Introduced: 5/18/23  
Vote: 21

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SENATE PUBLIC SAFETY COMMITTEE: 4-0, 3/14/23  
AYES: Wahab, Bradford, Skinner, Wiener  
NO VOTE RECORDED: Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/18/23  
AYES: Portantino, Ashby, Bradford, Wahab, Wiener  
NOES: Jones, Seyarto

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**SUBJECT:** Firearms: dealer requirements

**SOURCE:** Brady Campaign

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**DIGEST:** This bill requires firearms dealers and their employees to annually complete a training course and certification developed by the Department of Justice.

**ANALYSIS:**

Existing law:

- 1) Generally prohibits the sale, lease or transfer of firearms unless the person has been issued a license by the California Department of Justice, and establishes various exceptions to this prohibition. (Penal Code §§26500 – 26625)
- 2) Requires that prospective firearms dealers (licensees) satisfy the following requirements:
  - a) Has a valid federal firearms license from the federal Bureau of Alcohol, Tobacco and Firearms (ATF).

- b) Has any regulatory or business license, or licenses, required by local government.
  - c) Has a valid seller's permit issued by the State Board of Equalization
  - d) Has a Certificate of Eligibility issued by DOJ demonstrating that the applicant is not prohibited from acquiring or possessing firearms
  - e) Has an annual license granted by the licensing authority of any city, county, or city and county.
  - f) Is on the DOJ's centralized list of all persons licensed to sell firearms. (Penal Code §26700(a)-(f).)
- 3) Provides that a license to sell firearms is subject to forfeiture for any violation of a number of specified prohibitions and requirements, with limited exceptions. (Penal Code §26800(a).)
- 4) Provides that the DOJ may assess specified civil fines against a licensee for any breach of a prohibition or requirement that subjects the licensee to forfeiture of their license to sell firearms. (Penal Code §26800(b).)
- 5) Prohibits a dealer from delivering a firearm unless the person receiving the firearm presents to the dealer a valid firearm safety certificate, or, in the case of a handgun, an unexpired handgun safety certificate, and requires the dealer to retain a photocopy of the certificate as proof of compliance with this section. (Penal Code §26840(a).)
- 6) Provides that no firearms dealer may deliver a handgun or long gun unless the recipient performs a safe handling demonstration with that handgun or long gun. Existing law also enumerates the elements of these safe handling demonstrations. (Penal Code §§ 26850-26860.)
- 7) Provides that a licensee shall require any agent or employee who handles, sells or delivers firearms to obtain and provide to the licensee a certificate of eligibility from the DOJ verifying that the agent or employee is not prohibited from acquiring or possessing firearms. (Penal Code §26915(a).)
- 8) Provides that the DOJ shall notify the firearms licensee in the event that the agent or employee who was a certificate of eligibility is or becomes prohibited from possessing firearms. (Penal Code §26915(b).)

- 9) Requires a licensee to prohibit any agent who the licensee knows or reasonably should know is within a class of persons prohibited from possessing firearms pursuant to existing law from coming into contact with any firearm that is not secured and from accessing any key, combination, code, or other means to open specified locking devices. (Penal Code §26915(d).)

This bill:

- 1) Provides that, commencing July 1, 2025, every licensee, and every employee thereof who handles or processes the sale, loan or transfer of firearms or ammunition in the course of their normal duties, shall annually complete a training course and certification.
- 2) Provides that every licensee shall maintain records of certification for all employees on the business premises and make those records available to any agent of the DOJ or a licensing authority conducting an inspection of the licensee's premises.
- 3) Requires the DOJ, by no later than January 1, 2025, to develop and implement a course of training for licensees and their employees, which must include instruction on all of the following topics:
  - a) Federal and state laws governing sales and transfers of firearms and ammunition.
  - b) How to recognize and identify straw purchasers and fraudulent activity.
  - c) Indicators that a person is attempting to purchase a firearm illegally.
  - d) How to recognize and identify indicators that an individual intends to use a firearm for unlawful purposes.
  - e) How to recognize and identify indicators that an individual intends to use a firearm for self-harm.
  - f) How to prevent theft or burglary of firearms and ammunition.
  - g) How to respond to circumstances described above, and any applicable reporting requirement.
  - h) How to teach consumers rules of firearm safety, including, but not limited to, the safe handling and storage of firearms.

- i) Other reasonable business practices that the DOJ determines will deter gun trafficking or the unlawful use of firearms.
- 4) Provides that the training course shall include an examination with not fewer than 20 questions derived from the course materials and intended to confirm that a course participant has learned the information covered by the course.
- 5) Provides that a participant that answers at least 70 percent of the examination questions correctly shall receive a certificate of completion valid for one year from the date of completion.
- 6) Requires the DOJ to prepare supplemental written materials that shall be available to all course participants and shall include the following:
  - a) An outline of specified indicators that a prospective firearm transferee may be involved in gun trafficking or straw purchasing.
  - b) How to ascertain whether a prospective firearm purchaser is lawfully purchasing a firearm, including by asking questions of the purchaser.
  - c) How to report a suspected fraudulent firearm purchase to the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and to the federal Department of Justice.
- 7) Provides that the DOJ shall regularly review the training materials and update them as necessary.
- 8) Authorizes the DOJ to adopt regulations for the purpose of implementing its provisions.
- 9) Specifies that its provisions do not preclude any local authority from requiring a more stringent requirement regarding the training of firearm licensees and their employees.

## Comments

According to the author:

To aid the state's efforts to end gun violence, this bill will help to reduce the proliferation of guns in communities across California by requiring federally licensed gun dealers to undergo mandatory training to prevent theft, fraud, and illegal purchases. Many other industries require training to reduce harm to the public, and the firearm industry should be no exception. This training would enhance protections against illegal

firearm purchases and put in place responsible sales practices to ensure that every legal gun sale is thoroughly scrutinized by the person processing the transaction.

The mandatory training reflects similar public safety trends that led to the recent Responsible Beverage Service (RBS) testing for restaurant employees as administered under the Alcoholic Beverage Control. By requiring restaurant servers to undergo safety training to prevent underage drinking or to identify the signs of over serving patrons, RBS is a key tool to help reduce the risks of drunk driving and subsequent harm to communities. Similarly, giving firearm dealers the tools to spot theft or fraudulent purchases, dealers can bolster our ability to prevent illegal firearm sales that too often lead to gun violence and other nefarious activities.

Federal law requires firearms dealers to obtain a license (also known as a “federal firearms license,” or “FFL”) through the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). An FFL is necessary but not sufficient for obtaining a firearms dealer license in California. Additional requirements include any business license required by local government, a seller’s permit issued by the California Department of Tax and Fee Administration, a seller’s license issued by the local licensing authority of a local government, a certificate of eligibility (background check) issued by the DOJ, and being recorded on the DOJ’s centralized list of firearms dealers. State law requires employees of firearm licensees to provide their employers with a certificate of eligibility from the DOJ, verifying that they are not prohibited from acquiring or possessing firearms. Should the employee later become prohibited from acquiring or possessing a firearm, the DOJ must notify the licensee. However, it is on the licensee to prevent any employee or agent who is a prohibited person from coming into contact with a firearm or accessing the means to open certain locking devices.

Existing law imposes no training requirements on licensed gun dealers in California. This bill requires all licensees and their employees to annually complete an online training, examination and certification program developed by the DOJ. The bill additionally requires licensees to maintain records of employee certification and make those records available to the DOJ upon request. The training required under the bill must cover a host of topics, including state and federal laws applicable to gun dealers, how to recognize straw purchasing and other illegal activity, how to prevent theft or burglary of firearms, and how to teach consumers about firearm safety, among other issues. Many of the topics required to be included in the licensee training program are arguably outside the DOJ’s

expertise, including how to recognize indicators that an individual intends to use a firearm for unlawful purposes or self-harm, and how to teach consumers about firearm safety, particularly with regard to firearm handling and storage.

The provisions of this bill were originally included in SB 1384 (Min, Chapter 995, Statutes of 2022), a more expansive bill regarding firearm licensee physical security requirements, but were amended out in Assembly Appropriations. The provisions of this bill are virtually identical to the training provisions initially included in SB 1384, which passed off the Senate Floor by a vote of 27-9.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

Staff notes unknown one-time and ongoing costs, likely in the low hundreds of thousands to the DOJ in order to develop and implement the training course and promulgate regulations (Dealer Record of Sale Fund).

**SUPPORT:** (Verified 5/18/23)

Brady Campaign (source)

City of Alameda

City of Alhambra

City of Monterey Park

Everytown for Gun Safety Action Fund

Los Angeles County Board of Supervisors

Prosecutors Alliance California

Women for American Values and Ethics Action Fund

**OPPOSITION:** (Verified 5/18/23)

Gun Owners of California, Inc.

Prepared by: Alex Barnett / PUB. S. /  
5/23/23 11:55:26

\*\*\*\* END \*\*\*\*