

Date of Hearing: August 16, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 241 (Min) – As Amended June 29, 2023

Policy Committee: Public Safety

Vote: 6 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Department of Justice (DOJ) to develop and implement a firearm sales training course and examination that firearm dealers and their employees must complete annually.

Specifically this bill:

- 1) Requires DOJ to develop and implement a firearm sales training course by January 1, 2025, for firearm dealers and their employees, and specifies topics that the training course must cover.
- 2) Requires firearm dealers and qualifying employees to complete DOJ's firearm sales training course annually.
- 3) Requires the training course to include an examination.
- 4) Provides that a participant who answers 70% or more of the examination questions correctly, will receive a one-year certificate of completion.
- 5) Requires DOJ to prepare supplemental written materials to be made available to participants.
- 6) Authorizes DOJ to adopt regulations to implement these provisions.

FISCAL EFFECT:

Costs (Dealer Record of Sale (DROS) Account, General Fund) to DOJ in the low millions of dollars annually for additional staffing, IT system development, storage, and server configuration. DOJ estimates costs of approximately \$985,000 in fiscal year (FY) 2023-24, \$1.5 million in FY 2024-25, \$1.4 million in FY 2025-26, and \$1.3 million annually thereafter. DOJ reports that it requires delayed implementation of this measure until April 1, 2026, and that a General Fund appropriation may be needed if the DROS Account cannot support these costs.

COMMENTS:

- 1) **Purpose.** 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. 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.

- 2) **Background.** According to the analysis of this bill by the Assembly Committee on Public Safety, straw purchases of firearms and thefts from licensed firearms dealers are an ongoing problem in California. A straw purchase occurs when one person buys a firearm for another person – a practice that can be used to obtain firearms for people who are prohibited from possessing firearms and make it more difficult to trace ownership of individual firearms.

This bill requires DOJ to develop a training course that firearms dealers and their qualifying employees must take annually. The course must include information about applicable state and federal laws governing firearms and ammunition transfers, identifying straw purchasers and fraudulent activity, indicators a person is trying to illegally purchase a firearm, and preventing burglaries and theft of firearms, among other topics. After taking the course, a participant must pass an examination about the material.

- 3) **Support and Opposition.** In support, Everytown for Gun Safety writes:

A comprehensive approach to reducing gun violence must include a focus on the upstream source of crime guns that are infiltrating communities. Businesses that sell deadly weapons need to put basic protections in place to keep communities safe. This includes training employees on how to avoid selling guns that fuel crime - by teaching gun store employees how to spot signs of straw purchases and gun trafficking, and how to prevent theft of firearms from their stores... Gun dealers and their employees are truly the first, and most important, line of defense to prevent firearms from landing in dangerous hands.

In opposition, Gun Owners of California writes:

Every aspect of this bill is already covered by federal law, regulations, and practices except for the testing aspect. Given that the Department of Justice/Firearms Division has been incapable of maintaining and operating all its present responsibilities, GOC believes it unwise to further saddle DOJ with yet another program. This will undoubtedly detract from all other legislatively mandated responsibilities.

- 4) **Prior Legislation.** SB 1384 (Min), Chapter 995, Statutes of 2022, which requires a firearms dealer to use a digital video surveillance system and carry general liability insurance, originally contained provisions that were substantially similar to this bill. Those provisions were amended out in this committee.

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