

Date of Hearing: April 7, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

AB 2633 (Gipson) – As Introduced February 20, 2026

SUBJECT: Secondhand dealers.

SUMMARY: Requires every entity acting as secondhand dealer to have a valid California secondhand dealer’s license and to report to the California Pawn and SecondhandDealers System (CAPSS); expands the definition of “tangible personal property” to include secondhand jewelry, items, or objects; prohibits a local jurisdiction or any other state agency from issuing a license or permit to allow any entity to conduct business as a secondhand dealer without the entity having a state secondhand dealer license, authorizes a licensed secondhand dealer to bring an action in superior court against an unlicensed secondhand dealer, among other changes.

EXISTING LAW:

- 1) Defines “secondhand dealer” as any person, copartnership, firm, or corporation whose business includes buying, selling, trading, taking in pawn, accepting for sale on consignment, accepting for auctioning, or auctioning secondhand tangible personal property and specifies that a “secondhand dealer” does not include a “coin dealer” or participant at gun shows or events, as specified. (Business and Professions Code (BPC) § 21626(a))
- 2) Specifies that “secondhand dealer” does not include either of the following:
 - a) Any person who performs the services of an auctioneer for a fee or salary.
 - b) Any person whose business is limited to the reconditioning and selling of major household appliances, provided all specified conditions are met(BPC § 21626.5)
- 3) Defines “coin dealer” as any person, firm, partnership, or corporation whose principal business is the buying, selling, and trading of coins, monetized bullion, or commercial grade ingots of gold, or silver, or other precious metals. (BPC § 21626(b))
- 4) Defines “tangible personal property” as all secondhand tangible personal property that bears a serial number or personalized initials or inscription or that, at the time it is acquired by the secondhand dealer, bears evidence of having had a serial number or personalized initials or inscription. “Tangible personal property” also means the following:
 - a) All tangible personal property, new or used, including motor vehicles, received in pledge as security for a loan by a pawnbroker.
 - b) All tangible personal property that bears a serial number or personalized initials or inscription and that is purchased by a secondhand dealer or a pawnbroker or that, at the time of the purchase, bears evidence of having had a serial number or personalized initials or inscription.

- c) All tangible personal property that the Attorney General (AG) statistically determines through the most recent Department of Justice (DOJ) crime data, updated pursuant to Section 13010 of the Penal Code, to constitute a significant class of stolen goods, as specified.

(BPC § 21627(a)-(b))

- 5) Specifies that “tangible personal property” does not include either of the following:
 - a) Any new goods or merchandise purchased from a bona fide manufacturer, distributor, or wholesaler of the new goods or merchandise by a secondhand dealer.
 - b) Coins, monetized bullion, or commercial grade ingots of gold, silver, or other precious metals.

(BPC § 21627(c)-(d))

- 6) Defines a “significant class of stolen goods” as those items determined through the DOJ’s most recent OpenJustice Web portal update to constitute more than 10 percent of property reported stolen in the calendar year preceding the annual posting of the list of significant classes of stolen goods. (BPC § 21627(e))
- 7) Requires every secondhand dealer or coin dealer to report daily, or no later than the next business day excluding weekends and holidays after receipt or purchase of secondhand tangible personal property, to CAPSS, all secondhand tangible personal property, except for firearms, which they have purchased, taken in trade, taken in pawn, accepted for sale on consignment, or accepted for auctioning. (BPC § 21628(a))
- 8) Requires a coin dealer to report the information on a form developed by the AG that the coin dealer must transmit each day by facsimile transmission or by mail to the chief of police or sheriff. Specifies that a transaction shall consist of not more than one item. (BPC § 21628(d)(6))
- 9) Requires each secondhand dealer or coin dealer to record and maintain the identification of the intended seller or pledger for three years from the date the item was reported to CAPSS. Each secondhand dealer or coin dealer must also record and maintain a certification by the intended seller or pledger that the person is the owner of the property or has the authority of the owner to sell or pledge the property, and a legible fingerprint taken from the intended seller or pledger. If local law enforcement notifies the secondhand dealer or coin dealer that the item from the intended seller or pledger has been reported lost, stolen, or embezzled, the secondhand dealer or coin dealer must provide law enforcement with the information recorded immediately upon request or no later than the next business day. (BPC § 21628(e))
- 10) Requires a secondhand dealer or coin dealer to electronically transmit the report of acquisition of tangible personal property to CAPSS no later than the next business day after the date of the transaction, excluding weekends and holidays, or, if not then possible due to an electrical, telecommunications, or other malfunction, as soon as reasonable thereafter. (BPC § 21630)

- 11) Specifies that all tangible personal property that is found in the shop of a pawnbroker, secondhand dealer, or coin dealer, doing business under a California secondhand dealer's license, must be reported as specified, and shall be held for 30 days. If no claim is made for the property for a period of 60 days after it is reported, the pawnbroker, secondhand dealer, or coin dealer may treat the property as property regularly acquired in the due course of business. (BPC § 21631)
- 12) Requires the chief of police or the sheriff who receives a report on a form to submit the original to the DOJ daily. (BPC § 21634)
- 13) Requires every secondhand dealer and coin dealer to retain in their possession for a period of 30 days all firearms required to be reported. During the 30-day holding period, every secondhand dealer and coin dealer must produce any firearm reported for inspection by any peace officer or employee designated by the DOJ. (BPC § 21636(a)-(b))
- 14) Requires every secondhand dealer and coin dealer to retain in their possession for a period of seven days all tangible personal property reported as specified. During the seven-day holding period, every secondhand dealer and coin dealer must produce any tangible personal property reported for inspection by any peace officer or employee designated by the local licensing authority or the DOJ. (BPC § 21636.1(a)-(b))
- 15) Specifies that if five days have elapsed since the transmission of the report of acquisition, the remainder of the seven-day hold shall not apply to any tangible personal property sold by the secondhand dealer or coin dealer when the secondhand dealer or coin dealer has recorded the sale in its book of records and the record of sale includes specified information. The secondhand dealer or coin dealer must record the information provided by the buyer and does not have any duty to verify the accuracy of the information provided by the buyer. The information must be retained by the secondhand dealer or coin dealer for 21 days following the date of sale of the property by the secondhand dealer or coin dealer and must be available for inspection by a local law enforcement agency during this period. If a sale of property is made, and within 21 days of the sale, a local law enforcement agency notifies the secondhand dealer or coin dealer that the property has been reported stolen, the record of the sale and all information contained therein must be provided to that local law enforcement agency by the secondhand dealer or coin dealer upon written request by that agency. (BPC § 21636.1(d))
- 16) Prohibits a secondhand dealer or coin dealer from promising a seller of tangible property that the seller may repurchase property sold to the secondhand dealer or coin dealer. (BPC § 21636.5)
- 17) Specifies that nothing in the law shall be deemed to excuse compliance with the provisions of any city, county, or city and county ordinance or any other state law pertaining to or covering the reporting, holding, or releasing of tangible personal property, not inconsistent with the provisions of this article, except that no city, county, or city and county or any other state agency shall adopt the following:
 - a) Holding, reporting, or identification requirements for transactions involving coins, monetized bullion, or commercial grade ingots of gold, silver, or other precious metals.

- b) Identification, holding, or reporting requirements for the acquisition of tangible personal property, in the ordinary course of business, by pawnbrokers and secondhand dealers, other than as set forth in statute.

(BPC § 21637)

- 18) Specifies that the law does not prohibit enactment, amendment, or enforcement by any city, county, or city and county of any local ordinance relating to a secondhand dealer or coin dealer which is not inconsistent with current law, except that no city, county, or city and county, or any other state agency shall adopt the following:

- a) Holding, reporting, or identification requirements for transactions involving coins, monetized bullion, or commercial grade ingots of gold, silver, or other precious metals.
- b) Identification, holding, or reporting requirements for the acquisition of tangible personal property, in the ordinary course of business, by pawnbrokers and secondhand dealers, other than as set forth in statute.

(BPC § 21638)

- 19) Makes it unlawful for any person to engage in the business of a secondhand dealer without being licensed. (BPC § 21640)

- 20) Provides for the licensure of secondhand dealers and pawnbrokers by city chiefs of police, county sheriffs, or police commissions. (BPC § 21641 and Financial Code § 21300)

THIS BILL:

- 1) Repeals the definition of “coin dealer” and strikes references to coin dealers throughout Article 4 of the Business and Professions Code.
- 2) Requires every entity acting as a secondhand dealer to have a valid California secondhand dealer’s license.
- 3) Requires every entity acting as a secondhand dealer to report to CAPSS.
- 4) Includes all secondhand jewelry, items, or objects in the definition of “tangible personal property.”
- 5) Prohibits a city, county, or city and county or any other state agency from issuing a license or permit to allow any entity to conduct business as a secondhand dealer without the entity having a state secondhand dealer license.
- 6) Authorizes a licensed secondhand dealer to bring an action in superior court against a person for engaging in the business of a secondhand dealer without a license.
- 7) Specifies that to prevail in an action, a licensee must demonstrate actual harm resulting from a person engaging in the business of a secondhand dealer without a license.
- 8) Allows the court to enter an order enjoining the defendant from engaging in the business of a secondhand dealer without a license.

- 9) Specifies that a licensed secondhand dealer who prevails in an action is entitled to both of the following:
 - a) At the election of the prevailing licensee, either actual damages caused by the unlicensed entity acting as a secondhand dealer or statutory damages up to \$75,000,
 - b) Reasonable attorney fees and costs.
- 10) Makes various technical and conforming changes.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *California Pawnbrokers Association*. According to the author:

Over the past few years, there has been a dramatic increase in so-called “gold fairs” where unlicensed companies can buy and sell gold, silver and other jewelry items. [This bill] seeks to clarify that gold buyers who purchase gold from the public are “secondhand dealers” and therefore must have a “secondhand dealers” license, report to the State DOJ’s “CA Pawn and Secondhand Dealer System” (CAPSS) and follow all secondhand dealer laws that are on the books. These requirements are in place to shut down attempts to sell or pawn stolen goods.

Background. Secondhand dealers buy, sell, trade, take in pawn, accept for sale on consignment, accept for auctioning, or auction secondhand tangible personal property. Regulation of secondhand dealers began in the early 1980s to curb the sale of stolen property and aid its recovery through a statewide secondhand dealer licensing and reporting program. Local law enforcement agencies are responsible for licensing secondhand dealers and pawnbrokers (a category of secondhand dealers authorized to receive goods in pledge as security for a loan) and enforcing state laws related to secondhand dealers. Following payment and a background check, the DOJ provides the local licensing agency with a license number.

Secondhand dealers are subject to numerous reporting and recordkeeping requirements and must hold secondhand tangible personal property for specified periods and comply with law enforcement requests related to stolen property. Current law subjects coin dealers—unlicensed businesses engaged in buying, selling, and trading coins, monetized bullion, or commercial-grade ingots of gold or silver, or other precious metals—to many of the same requirements as secondhand dealers when dealing with tangible personal property or firearms. However, it is unlawful for any person to engage in the business of a secondhand dealer (i.e., buy, sell, trade secondhand tangible personal property) without a secondhand dealer license. This bill would strike references to coin dealers in Article 4 of the Business and Professions Code.

“Tangible personal property” is defined in law as personal property that bears a serial number or personalized initials or inscription or which, at the time it is acquired by the secondhand dealer, bears evidence of having had a serial number or personalized initials or inscription, and explicitly excludes coins, monetized bullion, or commercial-grade ingots of gold or silver, or other precious metals. However, “tangible personal property” also includes those items determined through the DOJ’s annual *Crime in California* report to constitute more than 10

percent of property reported stolen in the calendar year preceding the annual posting. Coins, watches, bracelets, rings, necklaces, and metals that have high intrinsic value, such as gold, silver, and platinum, are among the items that represent a significant class of stolen goods. This bill attempts to resolve confusion about whether gold is a “tangible personal property” by expanding the definition to explicitly include “all secondhand jewelry, items, or objects.”

According to the proponents of this bill, there has been an influx of temporary gold-buying events hosted by unlicensed, out-of-state vendors that facilitate the sale of stolen gold and jewelry. Collectively, the changes proposed by this bill are intended to ensure that individuals and businesses purchasing gold from the public are secondhand dealers subject to all applicable licensing, reporting, and holding requirements. In addition to striking references to “coin dealers” and expanding the definition of “tangible personal property,” this bill clarifies that only a licensed secondhand dealer may buy, sell, trade, take in pawn, accept for sale on consignment, accept for auction, or auction secondhand tangible personal property. Additionally, this bill requires any entity acting as a secondhand dealer to report to CAPSS. This bill also prohibits a local jurisdiction or any other state agency from issuing a license or permit that allows any entity to conduct business as a secondhand dealer without a state secondhand dealer license. Lastly, this bill authorizes a licensed secondhand dealer to sue an unlicensed secondhand dealer.

Prior Related Legislation. AB 1993 (Gipson), Chapter 184, Statutes of 2018, required secondhand dealers and coin dealers to retain in their possession for a period of seven days personal property required to be reported, as specified, and to make that personal property available for inspection by law enforcement.

AB 2236 (Santiago and Bonta) of 2016 would have excluded secondhand tangible personal property that is valued at \$950 or less from the definition of “tangible personal property.” *AB 2236 died pending a hearing in this committee.*

AB 1182 (Santiago), Chapter 749, Statutes of 2015, narrowed the definition of “tangible personal property” to only those items listed in statute at that time, clarified that “tangible personal property” includes tangible personal property that the AG determines through the most recent DOJ “Crime in California” report to constitute a significant class of stolen goods; required the DOJ to update this list annually beginning January 1, 2016; defined “significant class of stolen goods;” and clarified that a secondhand dealer must verify the identification of the seller or pledger for each transaction, not for each item that must be reported.

AB 391 (Pan), Chapter 172, Statutes of 2012, established the process and fee schedule to implement a single, statewide, uniform electronic reporting system for pawnbrokers and secondhand dealers, as specified, administered by the DOJ.

AB 1178 (Yee) of 2005 would have, in part, expanded the definition of “secondhand dealer” to include auctioneers that take possession of the tangible personal property and coin dealers that trade in tangible personal property; revised the definition of tangible personal property to include and exclude specified items, made it a misdemeanor to advertise as secondhand dealer or pawnbroker without holding a valid license. *AB 1178 died pending a vote on the Assembly Floor.*

SB 1893 (Burton) of 2004, as it relates to this bill, would have extended existing licensure requirements for secondhand dealers and pawnbrokers to coin dealers and business machine dealers. *SB 1893 failed passage in this committee.*

ARGUMENTS IN SUPPORT:

As the sponsor of this bill, the *California Pawnbrokers Association* writes:

Over the past few years, there has been a dramatic increase in so-called “gold faires” where unlicensed companies can buy and sell gold, silver and other jewelry items. [This bill] seeks to clarify that gold buyers who purchase gold from the public are “secondhand dealers” and therefore must have a “secondhand dealers” license, report to the State DOJ’s “CA Pawn and Secondhand Dealer System” (CAPSS), and follow all secondhand dealer laws that are on the books. These requirements are in place to shut down attempts to sell or pawn stolen goods...there is ambiguity with regard to GOLD being defined as “secondhand tangible personal property.” Instead of being spelled out in statute under the definition of “tangible personal property,” GOLD is included because it is listed among the Attorney General’s list of “significant classes of stolen goods.” This list includes, among other items, coins, jewelry, precious metals (gold), handbags, furs, and cell phones. This ambiguity has led to great confusion among gold dealers and local officials charged with enforcement. [This bill] clarifies existing statute to make it clear to event centers and hotels who host gold buying events, local government entities who issue permits to hold them, and local law enforcement agencies who police them, that all gold dealers ARE second-hand dealers and must follow the laws intended to protect the public and help law enforcement trace and recover stolen property. This bill will close the loophole and close an avenue for the purchase and sale of stolen gold jewelry.

ARGUMENTS IN OPPOSITION:

In opposition, one individual writes:

The specific concern herein is the definition of what constitutes a secondhand dealer. The proposed legislation to amend is silent towards a definite and positive law definition of the terms “secondhand dealer” and “business” through legislative means, to be **conjunctive and comprehensible and no longer disjunctive and ambiguous**. (Emphasis added.) *See, e.g., Richard Hopp v. City of Los Angeles* (2010) 183 Cal. App. 4th 713; *Richard Hopp v. City of Los Angeles* (Super. Ct. LA County Nov. 13, 2008, BC401887) Stipulation for Entry of Judgment and Judgment, Jan. 18, 2012.).

The proposed amendment of Bus. & Prof. Code, § 21640, is disordered and confusing. The controlling law is established under Bus. & Prof. Code, §§ 21645, 21646, and 17200 (the Unfair Competition Law). Creating a limited and special class (carve out) of “Plaintiff” licensee under § 21626, that excludes and prohibits the general public and stakeholders is punitive. The section in its entirety is unconscionable, as it is oppressive and one-sided due to unequal bargaining power. Furthermore, it lacks a provision for reasonable attorney’s fees and costs *for any prevailing party* and due process; unfairly limiting such recovery to the licensee exclusively rather than extending it to members of the public.

It appears that the Author’s factsheet regarding gold buyers has not been accurately reflected or fully incorporated into the current version of this bill. The proposed amendment language remains overly broad, applying to all individuals and entities rather

than the intended specific scope. As currently drafted, the language lacks plain meaning, too vague, and ambiguous. O'well.

IMPLEMENTATION ISSUES:

Definition of "coin dealer." This bill repeals the definition of "coin dealer," a term that continues to be used in Penal Code § 484.1 and BPC § 21608.5. The author may wish to consider whether those provisions necessitate a definition of "coin dealer" in statute.

Continuity. This bill strikes every mention of "coin dealer" in Article 4 of the Business and Professions Code but one. The author may wish to delete the remaining reference to "coin dealer" in BPC § 21631 for continuity.

Ambiguity. This bill expands the definition of "tangible personal property" to include "all secondhand jewelry, items, or objects." It is unclear what constitutes "jewelry," "items," or "objects." The author may wish to add more specificity to avoid ambiguity.

REGISTERED SUPPORT:

California Pawnbrokers Association (Sponsor)

REGISTERED OPPOSITION:

One individual

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