

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Business and Professions Vote: 19 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

**SUMMARY:**

This bill makes numerous changes to the laws governing secondhand dealers to ensure every entity acting as secondhand dealer has a valid California secondhand dealer’s license and reports to the California Pawn and Secondhand Dealers System (CAPSS), among other changes.

Specifically, this bill:

- 1) Repeals the definition of “coin dealer” and strikes the exclusion of a coin dealer from the definition of a “secondhand dealer” and makes related and conforming changes.
- 2) Expands the definition of “tangible personal property” to include all secondhand jewelry, items, or objects.
- 3) Prohibits a city, county, or city and county or 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.
- 4) In addition to existing remedies, authorizes a licensed secondhand dealer to bring an action in superior court against a person engaging in the business of a secondhand dealer without a state license.
- 5) Provides that a licensed secondhand dealer who prevails in an action pursuant to 4, above, 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.

**FISCAL EFFECT:**

- 1) The Department of Justice (DOJ) anticipates no significant costs.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate criminal enforcement actions authorized by this bill. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom

for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides an annual General Fund backfill to the Trial Court Trust Fund to offset ongoing declining revenue. This backfill was \$117.3 million in 2025-26.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

#### COMMENTS:

- 1) **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.

- 2) **Background. *Secondhand Dealers.*** Secondhand dealers buy, sell, trade, auction, or take in pawn tangible personal property. Existing law prohibits any person from engaging in the business of a secondhand dealer without a secondhand dealer license and authorizes a district attorney or the AG to bring an action against an unlicensed dealer.

Local law enforcement agencies license and enforce state laws related to secondhand dealers, although DOJ performs background checks and provides the local licensing agency with license numbers. Secondhand dealers are subject to numerous reporting and recordkeeping requirements and comply with law enforcement requests related to stolen property.

Existing law defines a coin dealer as any person or business whose principal business is buying, selling, and trading coins, monetized bullion, or commercial-grade ingots of gold or silver, or other precious metals. Existing law exempts "coin dealer" from the definition of a secondhand dealer.

***Tangible Personal Property.*** Existing law defines "tangible personal property" as personal property that bears a serial number or personalized initials or inscription or bears evidence of having had such. The definition also includes items determined by DOJ to constitute more than 10% percent of property reported stolen in the preceding calendar year. Both secondhand dealers and coin dealers must report "tangible personal property" they acquire to CAPSS operated by DOJ.

Recently, coins, jewelry, and metals that have high intrinsic value, such as gold, silver, and platinum, are among the items that meet the DOJ's definition. However, this conflicts with the statutory definition, which explicitly excludes coins, monetized bullion, or commercial-grade ingots of gold or silver, or other precious metals from the definition.

This bill expands the statutory definition to explicitly include “all secondhand jewelry, items, or objects.”

According to the sponsor, 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.

This bill requires all individuals and businesses engaged in the activities of a secondhand dealer to be licensed as secondhand dealers and abide by all applicable requirements. This includes any individual or business purchasing gold from the public, including coin dealers. The bill also allows a licensed secondhand dealer to bring a court action against a secondhand dealer acting without a state license.

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