
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2633 (Gipson) - Secondhand dealers

Version: June 11, 2026

Urgency: No

Hearing Date: June 29, 2026

Policy Vote: B., P. & E.D. 11 - 0

Mandate: Yes

Consultant: Janelle Miyashiro

Bill Summary: AB 2633 requires all entities operating within the scope of a secondhand dealer to hold a valid California secondhand dealer's license, eliminates the exemption for coin dealers, expands the definition of "tangible personal property," deletes the definition of "significant class of stolen goods," and prohibits local jurisdictions or other state agencies from issuing a secondhand dealer business permit to an unlicensed entity.

Fiscal Impact:

- Unknown, potentially significant workload cost pressures to the state funded trial court system to adjudicate any misdemeanor violations resulting from this bill (Trial Court Trust Fund, General Fund). The fiscal impact of this bill to the courts will depend on many unknowns, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately \$8,000 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.
- The Department of Justice (DOJ) does not anticipate a significant fiscal impact (Secondhand Dealer and Pawnbroker Fund).

Background: Secondhand dealers are businesses that buy, sell, trade, pawn, consign, or auction secondhand tangible personal property. Coin dealers are exempt from the current definition of "secondhand dealer." Under the law, "tangible personal property" refers to items bearing serial numbers or personalized inscriptions (explicitly excluding coins and monetized bullion), as well as high-value goods like jewelry and precious metals. This definition also encompasses any "significant class of stolen goods," which the DOJ identifies annually via its Crime in California report and OpenJustice portal as items comprising more than 10 percent of all stolen property from the previous calendar year.

To help law enforcement trace and recover these items, the DOJ administers the California Pawn and Secondhand Dealer System (CAPSS). Dealers must report all acquired tangible personal property to this statewide electronic database daily or by the next business day. Additionally, to prevent the unintentional acquisition of stolen goods, dealers must follow strict verification protocols for every transaction by collecting a verifiable ID, a fingerprint, and a signed certification proving the seller has the legal authority to pawn or sell the item.

Proposed Law:

- Eliminates the exemption for coin dealers, as defined, from the provisions of the secondhand dealer's act and requires every entity acting as, and engaging in the actions of a secondhand dealer to have a valid secondhand dealer's license.
- Clarifies that every entity acting as a secondhand dealer is required to report to CAPSS, as specified.
- Adds secondhand jewelry, items or objects to the definition of tangible personal property.
- Deletes the definition of "significant class of stolen goods".
- Clarifies that firearms are not subject to daily reporting requirements, as specified.
- Removes a coin dealer from the reporting requirements under the secondhand dealer's act.
- Deletes an outdated reference which requires law enforcement to submit information on a form daily to the DOJ.
- 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 secondhand dealer license, as specified.
- Requires any person conducting business as a secondhand dealer to report receipt or purchase of secondhand tangible personal property to CAPSS, as specified.
- Makes other technical and conforming changes.

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