

## CONCURRENCE IN SENATE AMENDMENTS

AB 2633 (Gipson)

As Amended August 21, 2026

Majority vote

**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); 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; and exempts tangible personal property acquired from a nonprofit organization or as a bulk purchase of donated items from secondhand dealer requirements, among other changes.

**Senate Amendments**

- 1) Specify that it is the intent of the Legislature to curtail the dissemination of stolen property and facilitate the recovery of stolen property by means of a uniform, statewide, state-administered program of regulation of persons whose business (not *principal* business as the intent language is written today) is the buying, selling, trading, auctioning, or taking in pawn of tangible personal property.
- 2) Repeal the definition of "significant class of stolen goods."
- 3) Require any person conducting business as a secondhand dealer to report receipt or purchase of secondhand tangible personal property to the CAPSS.
- 4) Delete adding all secondhand jewelry, items, or objects to the definition of tangible personal property.
- 5) Exempt tangible personal property acquired from a nonprofit organization or as a bulk purchase of donated items from secondhand dealer requirements.
- 6) Make other technical changes.

**COMMENTS**

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.

According to proponents of this bill, an influx of temporary gold-buying events hosted by unlicensed, out-of-state vendors facilitates 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," 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. It also requires any person conducting business as a secondhand dealer to report receipt or purchase of secondhand tangible personal property to CAPSS, though this bill exempts tangible personal property acquired from a nonprofit organization, or bulk purchases of donated items, from secondhand dealer requirements. 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.

### **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."

### **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, Section 21640, is disordered and confusing. The controlling law is established under Bus. & Prof. Code, Section 21645, 21646, and 17200 (the Unfair Competition Law). Creating a limited and special class (carve out) of "Plaintiff" licensee under Section 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.

### FISCAL COMMENTS

According to the Senate Appropriations Committee:

- 1) 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.

- 2) The Department of Justice (DOJ) does not anticipate a significant fiscal impact (Secondhand Dealer and Pawnbroker Fund).

## **VOTES:**

### **ASM BUSINESS AND PROFESSIONS: 19-0-0**

**YES:** Berman, Johnson, Addis, Ahrens, Alanis, Bains, Aguiar-Curry, Caloza, Chen, Elhawary, Hadwick, Haney, Hart, Irwin, Jackson, Lowenthal, Macedo, Nguyen, Pellerin

### **ASM APPROPRIATIONS: 11-0-4**

**YES:** Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

**ABS, ABST OR NV:** Hoover, Dixon, Ta, Tangipa

### **ASSEMBLY FLOOR: 78-0-2**

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Muratsuchi, Celeste Rodriguez

## **UPDATED**

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