

CALIFORNIA DEPARTMENT OF JUSTICE

**TITLE 11. LAW
DIVISION 5. FIREARMS REGULATIONS
CHAPTER 10. AMMUNITION**

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

On June 24, 2019, the Office of Administrative Law approved the Department's regulations regarding ammunition purchases or transfers and filed them with the Secretary of State. (OAL File No. 2019-0517-07.) These regulations created a process for the Department to make a determination to either approve or reject an ammunition purchase or transfer.

As authorized by Penal Code section 30370, subdivision (e), the regulations also established a \$1.00 fee for a Standard Ammunition Eligibility Check (SAEC) and \$1.00 fee for a Certificate of Eligibility (COE) Verification check. This fee has not been sufficient to cover the Department's operating costs for the ammunition authorization program.

Effective January 1, 2024, the Department may raise the fee for a SAEC and COE Verification check to cover the reasonable regulatory and enforcement costs for operating the ammunition authorization program. (Pen. Code, § 30370, subd. (e).)

The proposed regulation raises the fee for a SAEC and COE Verification check from \$1.00 to \$5.00.

BENEFITS ANTICIPATED FROM REGULATORY ACTION

An ammunition purchase or transfer completed in the state of California must be conducted through a licensed ammunition vendor unless otherwise exempted.¹ Prior to the sale or transfer, an ammunition vendor will initiate an eligibility check to ensure the purchaser or transferee is not prohibited from possessing ammunition. The Department's regulations benefit public safety by creating a process which will ensure an individual prohibited by state law from possessing ammunition will be unable to purchase or transfer ammunition.

Raising the fee for a SAEC and COE Verification check from \$1.00 to \$5.00 will help cover the Department's reasonable regulatory and enforcement costs for operating the ammunition authorization program.

¹ A licensed firearms dealer is automatically deemed a licensed ammunition vendor. (Pen. Code, § 30385, subd. (d).)

SPECIFIC PURPOSE AND NECESSITY OF EACH SECTION

§ 4282. Standard Ammunition Eligibility Check (AFS Match).

In subdivision (b), the fee for the SAEC is increased from \$1.00 to \$5.00. This is necessary to help cover the Department's reasonable regulatory and enforcement costs for operating the ammunition authorization program.

§ 4285. COE Verification Process.

In subdivision (b), the fee for the COE verification is increased from \$1.00 to \$5.00. This is necessary to help cover the Department's reasonable regulatory and enforcement costs for operating the ammunition authorization program.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Department concludes:

- (1) It is unlikely that the proposal would create or eliminate jobs within the state because it applies to existing ammunition vendors who already collect fees from purchasers.
- (2) It is unlikely that the proposal would create new businesses or eliminate existing businesses within the state because it applies to existing ammunition vendors who already collect fees from purchasers.
- (3) It is unlikely that the proposal would result in the expansion of businesses currently doing business within the state because it applies to existing ammunition vendors who already collect fees from purchasers.

The Department also concludes that:

- (1) The proposal would benefit the health and welfare of California residents because they help fund the process that ensures an individual prohibited by either state or federal law to possess ammunition will be unable to purchase or transfer ammunition.
- (2) The proposal would not benefit worker safety because it does not regulate worker safety standards.
- (3) The proposal would not benefit the state's environment because it does not change any applicable environmental standards.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDIES, REPORTS OR SIMILAR DOCUMENTS RELIED UPON

The Department did not rely on any technical, theoretical, or empirical studies, reports, or similar documents in proposing these regulations.

EVIDENCE SUPPORTING DETERMINATION OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Department has made an initial determination that the proposed action would not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

These regulations apply to existing ammunition vendors who already collect fees from purchasers. Raising the fee they collect does not impose any additional costs on these businesses.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

The Department has determined that this proposed action does not affect small businesses. Although the majority of ammunition vendors are small businesses, raising the fee they collect does not impose any additional costs on these businesses.

REASONABLE ALTERNATIVES TO THE PROPOSED ACTION AND THE AGENCY'S REASON FOR REJECTING THOSE ALTERNATIVES

The Department finds that no alternatives were presented to, or considered by, the Department that would be more effective in carrying out the purpose of these proposed regulations or would be as effective and less burdensome to affected private persons than these proposed regulations.

Performance Standard as Alternative:

The proposed regulations do not mandate the use of specific technologies or equipment or prescribe specific actions or procedures.