

**CALIFORNIA DEPARTMENT OF JUSTICE**  
**TITLE 11. LAW**  
**DIVISION 5. FIREARMS REGULATIONS**  
**CHAPTER 3. CERTIFICATES OF ELIGIBILITY and CHAPTER 11. FIREARM**  
**PRECURSOR PARTS**

**INITIAL STATEMENT OF REASONS**

**PROBLEM STATEMENT**

In 2019, the California State Legislature passed Assembly Bill (AB) 879 (Ch. 730, Stats. 2019), to extend the laws governing the sale and purchase of firearms and ammunition to firearm precursor parts, unfinished firearm receivers, or handgun frames that, because they are not classified by state or federal law as a firearm, have been available for purchase by persons who are prohibited from possession of a firearm. The firearm precursor part may then be finished to become a functional firearm. The new law prohibits the sale or transfer of a firearm precursor part to an individual who is prohibited from owning a firearm.

Beginning April 1, 2022,<sup>1</sup> AB 879 requires the Department of Justice (Department) to begin accepting applications for firearm precursor part vendor licenses. Beginning July 1, 2022, AB 879 requires the sale or transfer of a firearm precursor part to be conducted through a licensed firearm precursor part vendor with specified exemptions. AB 879 also prohibits the firearm precursor part vendor, agent, or employee from handling, selling, delivering, or having in their custody and control a firearm precursor part unless that person has obtained a Certificate of Eligibility (COE) from the Department.

The proposed regulations would enable firearm precursor part vendors to comply with licensing requirements for the sale of firearm precursor parts by establishing application and renewal requirements and the timeframe for submitting updated permit and license information to the Department. The proposed regulations also revise existing regulations regarding Certificate of Eligibility to apply to firearm precursor part vendors.

**BENEFITS ANTICIPATED FROM REGULATORY ACTION**

Generally, these regulations protect public health and safety because they provide the basis for the July 1, 2022 implementation of restrictions on the transfer and sale of firearm precursor parts. Currently, people who are prohibited from possessing a firearm are able to lawfully purchase firearm precursor parts off the Internet and can then build a homemade firearm. By implementing a new licensing structure for firearm precursor part vendors pursuant to AB 879, these regulations will help keep firearms out of the hands of those who are prohibited from possessing firearms.

Specifically, the proposed regulations would enable firearm precursor part vendors in California to comply with statutorily-mandated licensing requirements for the sale of firearm precursor parts beginning April 1, 2022. Future rulemaking would establish regulations to implement provisions of AB 879 that require a background check on firearm precursor part purchasers beginning July 1, 2022.

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<sup>1</sup> AB 879 was amended by Senate Bill 118 to change the operative date of the new law to April 1, 2022.

## **SPECIFIC PURPOSE AND NECESSITY OF EACH SECTION**

### **Chapter 3. Certificates of Eligibility**

The Department may issue a COE upon request, which certifies that the Department has checked its records and determined the recipient is not prohibited from possessing firearms. (Pen. Code, § 26710.) A COE may be revoked if the COE holder later becomes prohibited from possessing firearms. A COE is a prerequisite for licensed firearms dealers, licensed ammunition vendors, manufacturers, certified instructors, gun show promoters, explosive permit holders, and other firearm-related employment activities.

Pursuant to Penal Code sections 30447 and 30495, a COE is a requirement for firearm precursor part vendors (including agents and employees), who handle, sell, or deliver firearm precursor parts.

The purpose of these regulation amendments is to apply the Department's existing regulatory procedures for obtaining a COE to firearm precursor part vendors (including agents and employees).

### **Article 2. Definitions**

#### **§ 4031. Definition of Key Terms.**

Section 4031 will be amended to align the terminology with the referenced statute and to provide the correct statutory citation. California ammunition vendors are issued a license pursuant to Penal Code section 30385, not section 30342, as currently referenced. Penal Code section 30385 refers to persons and entities, not individuals. These are nonsubstantive changes that will make the regulation consistent with the proposed subdivision (d).

Section 4031 will be amended to add a new subdivision (d) to define the term "California Firearm Precursor Part Vendor," and the initialism "CFPPV," as a vendor who is licensed pursuant to Penal Code section 30485. This is necessary to define a term used in the proposed amendments to sections 4035 and 4036.

The existing definition of COE in subdivision (e) will be amended to expand its applicability to anyone who handles, sells, delivers, or has under their custody or control any firearm precursor part. These amendments are necessary to describe, in combination with sections 4035 and 4036, how a firearm precursor part vendor (including agents and employees), in compliance with Penal Code sections 30447 and 30495, may apply for, obtain, and maintain a COE. A person who does not have a COE is not eligible to apply for a firearm precursor part vendor license and will not be permitted to sell firearm precursor parts.

The Department has made additional, nonsubstantive changes for the sake of clarity.

### **Article 3. Certificate of Eligibility**

#### **§ 4035. Applicant Information.**

Existing section 4035 describes the process for applying for a COE. Currently, the section has provisions that are specific to firearm dealers and ammunition vendors. Specifically, section 4035(b)(1)(A) describes the information a firearms dealer must include in the dealer's application, and subdivisions (B) and (C) of section 4035(b)(1) describe the information an

ammunition vendor must include in the ammunition vendor's application, which depends on whether the ammunition vendor is also a firearms dealer.

This section will be amended to add new subdivision (D) and (E) describing the information a firearm precursor part vendor must include in the firearm precursor part vendor's application, which will depend on whether the vendor is also a firearm dealer, pursuant to Penal Code section 30447, subdivision (a). New subdivision (D) is modeled after subdivision (B). New subdivision (E) is modeled after existing subdivision (C).

These amendments are necessary to describe, in combination with sections 4031 and 4036, how a firearm precursor part vendor (including agents and employees) may apply for, obtain, and maintain a COE. A person who does not have a COE is not eligible to apply for a firearm precursor part vendor license and will not be permitted to sell firearm precursor parts. Penal Code section 30447 requires an agent or employee of a firearm precursor part vendor to provide this information, if the firearm precursor part vendor is also a licensed firearms dealer. The requirement is restated here for ease of reference.

The Department has made additional, nonsubstantive changes for the sake of clarity. Specifically, the term "federal Alien Registration Number" has been changed to "United States Citizenship and Immigration Services (USCIS) number," pursuant to AB 1096 (Statutes of 2021). Per that bill:

It is the intent of the Legislature in enacting this measure to make only nonsubstantive changes that remove the dehumanizing term "alien" from all California code sections. Nothing in this measure shall be interpreted to make any substantive change to existing law, including, but not limited to, eligibility for federal programs or benefits that are available to a person who meets the definition of "alien" under state or federal law.

#### **§ 4036. Modifications to Applicant Information.**

Under existing section 4036(b), any change to COE holder's employment status as an agent or employee of a firearms dealer or ammunition vendor must be reported by both the agent/employee and the employer dealer/vendor. Subdivision (b)(1) outlines the process for the agent/employee to submit a change of employment. Subdivision (b)(2) outlines the process for a dealer or vendor to modify the employment status of a newly hired or newly terminated or resigned agent or employee. These reporting requirements are necessary so that the Department can maintain accurate records regarding COE holders.

All references to dealers and ammunition vendors in section 4036(b) will be amended to add firearm precursor part vendors to specify that the reporting requirements in section 4036(b) apply to firearms dealers and ammunition vendors, and agents and employees of firearms dealers and ammunition vendors, are similarly applicable to firearm precursor part vendors, and agents and employees of firearm precursor part vendors.

These amendments are necessary to describe, in combination with sections 4031 and 4035, how a firearm precursor part vendor (including agents and employees) may apply for, obtain, and maintain a COE. A person who does not have a COE is not eligible to apply for a firearm precursor part vendor license, or be permitted to sell firearm precursor parts. These amendments are also necessary because it is important for enforcement purposes to have up-to-date and accurate information linking COE holders who are agents and employees with their employer.

## **Chapter 11. Firearm Precursor Parts**

### **Article 1. General**

#### **§ 4300. Title and Scope.**

Section 4300 identifies the title and scope of proposed chapter 11 regarding firearm precursor parts.

Those regulations will implement Penal Code sections 30485 and 30495, requiring the Department to issue licenses to firearm precursor part vendors. Penal Code sections 30485 and 30495 are modeled after Penal Code sections 30385 and 30395, which require the Department to issue ammunition vendor licenses to ammunition vendors. In 2018, the Department adopted regulations implementing Penal Code section 30385, which are codified in chapter 10, sections 4260 through 4264.

Proposed Chapter 11, article 2, sections 4310 through 4314 governing the licensing of firearm precursor part vendors, are modeled after, and consistent with, the ammunition vendor license regulations.

#### **§ 4301. Definition of Key Terms.**

Section 4301 defines key terms used in the proposed regulations.

Subdivision (a) defines the term “California Ammunition Vendor” as a vendor who is licensed pursuant to Penal Code section 30385. This is necessary to define a term used in the proposed sections 4310 and 4311 for the purposes of implementing Penal Code section 30485, particularly the provision at subdivision (d).

Subdivision (b) defines the term “Certificate of Eligibility” and its initialism, “COE” as a certificate issued pursuant to Penal Code section 26710, which states that the Department has checked its records and determined that the applicant was not prohibited from acquiring or possessing firearms at the time the check was performed. This is necessary to define a term used in section 4311 for the purposes of implementing Penal Code section 30485.

Subdivision (c) defines the term “Department” as the California Department of Justice. Shortening the title of the department simplifies the regulation text, making it easier to read.

Subdivision (d) defines the term “Federal Firearms License” as a license issued pursuant to Section 922, Title 18 of the United States Code, for the purpose of importing, manufacturing, or dealing in firearms, or importing or manufacturing of ammunition. This is necessary to define a term used in section 4310, for the purposes of implementing a requirement of Penal Code section 30495, subdivision (a).

Subdivision (e) defines the term “California Firearms Dealer” and its initialism, “CFD,” as a person having a valid license to sell firearms issued pursuant to Penal Code sections 26700 to 26915, inclusive. This is necessary to define a term used in the proposed sections 4310 and 4311 for the purposes of implementing Penal Code section 30485, particularly the provision at subdivision (d).

Subdivision (f) defines the term “California Firearm Precursor Part Vendor” and its initialism, “CFPPV,” as a person or entity having a valid license to sell firearm precursor parts issued

pursuant to Penal Code section 30485. This is necessary to define a term used throughout the proposed regulations.

Subdivision (g) defines the term “purchaser” as an individual purchasing or transferring a firearm precursor part. This is necessary to define a term used in sections 4312 and 4313.

## **Article 2. California Firearm Precursor Part Vendors**

Proposed chapter 11, article 2 implements Penal Code section 30485 et seq., which requires the Department to issue licenses to firearm precursor part vendors.

Penal Code section 30485 et seq. is modeled after Penal Code section 30385 et seq., which requires the Department to issue licenses to ammunition vendors. In 2018, the Department adopted regulations implementing Penal Code section 30385 et seq. The ammunition vendor regulations are codified in chapter 10, sections 4260 through 4264.

Proposed chapter 11, article 2, sections 4310 through 4314 governing the licensing of firearm precursor part vendors are modeled after, and consistent with, the ammunition vendor regulations.

### **§ 4310. Firearm Precursor Part Vendor License Initial Applications.**

Section 4310 describes the application process to obtain a firearm precursor part vendor license. Section 4310 is modeled after section 4260 of the ammunition vendor regulations.

Subdivision (a) requires applicants for a firearm precursor part vendor license to complete and submit an application form, form BOF 1106 (Orig. 04/2022). Applicants must also submit a copy of their business license, a valid seller’s permit, their Federal Firearms License (FFL), if applicable, and a COE. Form BOF 1106 is modeled after form BOF 1021, the application form to obtain an ammunition vendor license. The application requires basic information regarding the vendor’s business such as the name, type of ownership, contact information, and hours of operation in order for the Department to identify and communicate with the vendor. The applicant must also provide the name and COE of each employee who handles, sells, or delivers firearm precursor parts. This subdivision is necessary to allow the Department to determine whether the application meets the requirements of Penal Code section 30447, subdivision (a) and 30495, subdivision (a). The Department is authorized to charge applicants a fee pursuant to Penal Code section 30490.

Subdivision (b) sets the expiration date of an initial firearm precursor part vendor license at the following July 1 or the next business day. Penal Code section 30485 requires that an annual fee shall be paid on July 1 or the next business day of every year. The Department has determined that the most effective way to implement this provision is to require all firearm precursor part vendors to renew their licenses on that date with accompanying payment of the annual fee on that date as required by statute (see proposed section 4311). Because prospective firearm precursor part vendors may seek licensure throughout the year, the term of the initial license must be limited to July 1 or the next business day to ensure at the first opportunity that all continuing licensees submit the annual fee required by statute on that date each subsequent year.

Subdivision (c) specifies that licensed firearms dealers and ammunition vendors are automatically deemed licensed firearm precursor part vendors. This subdivision is necessary to implement Penal Code section 16532 and to clarify that licensed firearm dealers and ammunition

vendors need not apply for a firearm precursor part vendor license before selling firearm precursor parts.

**§ 4311. Firearm Precursor Part Vendor License Renewal, Annual Fee, and Continuing Requirements.**

Section 4311 establishes a process for renewal of a firearm precursor part vendor license, establishes the annual fee, and establishes specified continuing requirements for licensees. Section 4311 is modeled after section 4261 of the ammunition vendor regulations.

Subdivision (a) permits applicants to renew their firearm precursor part vendor license by submitting form BOF/PPV 0012 (Orig. 07/2022) along with the appropriate fee. The BOF/PPV 0012 requires the applicant to indicate any changes to the information previously provided on the BOF 1106 for an initial firearm precursor part vendor license. Form BOF/PPV 0012 is modeled after form BOF/CAV 0012, a renewal fee transmittal form for ammunition vendors. This subdivision is necessary to establish a process for previously approved licensees to renew their license. License renewal allows for the Department to maintain up-to-date records of licensees and allows the Department to verify that licensing requirements are being met.

Subdivision (b) sets a term for a renewal vendor license as July 1 or the next business day through June 30 of the following year. The Department has determined that the most effective way to implement the annual fee in Penal Code section 30485 is to have licensees submit a license renewal together with the statutory annual fee on the date provided in statute. Setting a term for the license is also necessary to periodically monitor the eligibility of licensed firearm precursor part vendors and is consistent with the Department's other firearm licensing programs.

Subdivision (c) establishes a fee for a firearm precursor part vendor license of \$101 per location if the vendor is not a firearms dealer or ammunition vendor. Pursuant to Penal Code section 30485, subdivision (d), firearms dealers and ammunition vendors, as defined in proposed section 4301, are automatically deemed firearm precursor part vendors, and do not require application nor payment of the annual fee.

The renewal fee of \$101 is necessary to reimburse the Department for the reasonable costs of administering the license program, including the enforcement of this program and maintenance of the registry of firearm precursor part vendors. The Department estimates that it will receive approximately 50 applications for firearm precursor part vendor licenses each year. Currently, firearm precursor part vendors are not tracked. In the absence of information regarding the number of persons, corporations, or other business enterprises that may pursue licensure to sell firearm precursor parts, the Department has developed an initial estimate of the number of firearm precursor part vendors seeking licensure through a comparison with the types of businesses authorized to sell ammunition.

Pursuant to Penal Code section 30485, licensed firearms dealers are automatically deemed licensed ammunition vendors and are not required to pursue ammunition vendor licensure separately. According to the Department's records, as of October 21, 2021, there were 1,661 licensed firearms dealers and 158 licensed ammunition vendors in California (these numbers change daily as new licenses are approved and old licenses expire).

However, firearm precursor parts are not directly analogous to ammunition, and the Department anticipates there will be fewer separately-licensed firearm precursor part vendors than

separately-licensed ammunition vendors due to the nature of the good being sold. All firearms, by definition, utilize ammunition, making it a complimentary good. In fiscal year 2020-21, there were 1,257,687 total firearm transactions and 1,979,845 ammunition transactions. Despite their unique threat to health and safety, firearm precursor parts are a relatively unconventional method for a person to come to possess a firearm, and the Department anticipates firearm precursor part sales in the first year subsequent to implementation of these regulations will fall in a range of between 20,000 and 50,000 transactions. Comparing the number of ammunition transactions (~2,000,000) with the estimated number of firearm precursor part sales (20,000-50,000), the Department has reason to believe that there will be much fewer licensed firearm precursor part vendors than there are licensed ammunition vendors.

As an initial estimate, the Department anticipates there will be approximately 50 firearm precursor part vendor licenses in the first year subsequent to implementation. The Department will be able to revise this estimate subsequent to the implementation of the firearm precursor part vendor licensing program when it has actual totals of firearm precursor part vendor license applications.

The Department estimates that it will take a Staff Services Analyst approximately 85 hours per year to process the workload associated with firearm precursor part vendor licenses (applications and renewals). Including salary, benefits, and annual standard complement, a Staff Services Analyst costs the Department \$59.64 per hour. Therefore, the total cost of the licensure program is projected to be \$5,069 (85 \* 59.64). Each firearm precursor part vendor seeking an initial or renewal license would pay a fee of \$101 (\$5,069 / 50) to reimburse the Department for the reasonable costs of administering the license program.

Subdivision (d) requires firearm precursor part vendors to submit to the Department a copy of any renewed permits and licenses specified in section 4310, subdivisions (a)(1), (a)(2), and (a)(3), no later than 30 days after the document's expiration. Failure to do so will invalidate the firearm precursor part vendor license until a copy of the renewed permit or license is received by the Department. This regulation is necessary to ensure continued vendor compliance with Penal Code section 30495, which requires vendor to submit certain official documents to the Department as a condition of holding a firearm precursor part vendor license.

Subdivision (e) requires firearm precursor part vendors to maintain an active COE. Failure to do so will invalidate the firearm precursor part vendor license until the COE is renewed. This regulation is necessary to ensure continued vendor compliance with Penal Code section 30495, which requires the vendor to submit certain official documents to the Department as a condition of holding a firearm precursor part vendor license.

Subdivision (f) specifies that firearm precursor part vendor licenses will be renewed automatically for vendors who maintain active status on the Centralized List of Firearms Dealers or maintain an active ammunition vendor license. This provision is consistent with Penal Code section 16532, subdivision (b), which provides that a licensed firearms dealer or ammunition vendor shall automatically be deemed a licensed precursor part vendor. Licensed firearms dealers are required to annually renew their placement on the Centralized List of Firearms Dealers. Ammunition vendors are also required to renew their licensing on an annual basis.

### **§ 4312. Display of Firearm Precursor Parts.**

Section 4312 clarifies the term “accessible” as used in Penal Code section 30450, which prohibits a vendor from displaying firearm precursor parts in a manner that allows the parts to be accessible to a purchaser or transferee without the assistance of the vendor or employee. This section specifies that precursor parts displayed in a shopping area open to the public is not considered accessible if it is in a locked container. This section is necessary because it provides a specific example of display activity that will not violate the statute. This section is also modeled after section 4262 of the ammunition vendor regulations.

### **§ 4313. Vendor Fee for Processing a Private Party (Non-Vendor) Firearm Precursor Part Sale.**

Penal Code section 30412 is modeled after Penal Code section 30312, requiring the Department to establish the maximum fee that an ammunition vendor may charge a purchaser for processing a sale between two non-vendor private parties.

Section 4313 implements Penal Code section 30412, requiring the Department to establish the maximum fee that a firearm precursor part vendor may charge a purchaser for processing a sale between two non-vendor private parties. This section is modeled after section 4263 of the ammunition vendor regulations.

Subdivision (a)(1) authorizes firearm precursor part vendors to charge a fee not to exceed \$5 if the purchaser will be present for immediate delivery of the firearm precursor part.

A private party firearm precursor part transaction is estimated to take the same amount of time as a private party ammunition transaction. The maximum fee that an ammunition vendor may charge a purchaser for a private party transaction is \$5. For that reason, a \$5 maximum fee was established for a private party firearm precursor part transaction.

Subdivision (a)(2) authorizes firearm precursor part vendors that process a sale between two private parties to charge an additional storage fee, as agreed upon by the purchaser, prior to the vendor receiving the firearm precursor part, if the purchaser will not be present for immediate delivery at the time the vendor receives the precursor part. This subdivision mirrors section 4263, subdivision (a)(2). Receipt of a firearm precursor part by a firearm precursor part vendor, as a result of an Internet or other remote sale by a private party, is one of the transactions contemplated by Penal Code section 30412, subdivision (b). In such an instance, the vendor would be required to store the firearm precursor part until the transaction is completed. The Department has determined that storage of a firearm precursor part is distinct from the “administrative fee to process the transaction,” per Penal Code section 30412, subdivision (a)(2). The statute does not provide authority for the Department to set a fee for this distinct service provided by the vendor, nor does it preclude the collection of such a fee. Stipulating that an additional fee may be charged, as agreed upon by the vendor and purchaser, is necessary to distinguish what services provided by the vendor are subject to the administrative fee in subdivision (a)(1).



#### **§ 4314. Suspension and Forfeiture of Firearm Precursor Part Vendor's License.**

Section 4314 implements Penal Code section 30495, which provides remedies if a vendor sells firearm precursor parts in violation of state law. This section is modeled after section 4264 of the ammunition vendor regulations.

Subdivision (a) establishes the Department's authority to suspend a vendor's license for up to six months for a violation of the regulations. This provision is necessary to incentivize compliance with these regulations by establishing a consequence for noncompliance.

Subdivision (b) specifies that all hearings related to a suspension or forfeiture of a license shall be conducted by an administrative law judge with the Department of General Services' Office of Administrative Hearings in accordance with the formal hearing procedures in the Administrative Procedure Act (APA). This provision is necessary if the Department wants to use an administrative remedy to address a violation. Under the APA, a state agency must decide whether to use the APA formal hearing process or adopt its own formal hearing process.

Subdivision (c) authorizes a vendor to re-apply for a license no earlier than one year from the effective date of forfeiture. This provision is necessary to establish a reasonable minimum length of the forfeiture of a license. Without a minimum length of the forfeiture of the license, a licensee could immediately apply for a new license and resume sales of firearm precursor parts, which would negate the incentive provided by the forfeiture to comply with the regulations.

#### **ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

The Department concludes it is unlikely that the proposal would: (1) create or eliminate jobs within the state, (2) create new businesses or eliminate existing businesses within the state, or (3) result in the expansion of businesses currently doing business within the state.

The proposed regulations would not, in themselves, significantly affect jobs or businesses within the state. Although firearm precursor part sales will be restricted beginning July 1, 2022, any effect on jobs or businesses would be due to the various and multiple provisions of AB 879, not these proposed regulations regarding licensing requirements.

The Department also concludes that:

(1) Generally, these regulations protect public health and safety because they provide the basis for the July 1, 2022 implementation of restrictions on the transfer and sale of firearm precursor parts. Currently, people who are prohibited from possessing a firearm are able to lawfully purchase precursor firearm parts off the Internet, and then can build a homemade firearm. By implementing a new licensing structure for firearm precursor part vendors pursuant to AB 879, these regulations help keep firearms out of the hands of those prohibited from possessing firearms.

Specifically, the proposed regulations will enable firearm precursor part vendors in California to comply with statutorily-mandated licensing requirements for the sale of firearm precursor parts beginning April 1, 2022. Future rulemaking would establish regulations to implement provisions of AB 879 that require a background check on firearm precursor part purchasers beginning July 1, 2022.

(2) The proposal does not directly benefit worker safety.

(3) The proposal does not directly benefit the environment.

**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.

The proposed regulations would enable firearm precursor part vendors to comply with licensing requirements for the sale of firearm precursor parts by establishing application and renewal requirements and the timeframe for submitting updated permit and license information to the Department. The proposed regulations also revise existing regulations regarding COEs to apply to firearm precursor part vendors. Neither aspect of these proposed regulations, in itself, significantly affects businesses.

Although firearm precursor part sales will be restricted, beginning July 1, 2022, any effect on businesses would be due to the various and multiple provisions of AB 879, not these proposed regulations regarding licensing requirements.

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

The Department finds that no reasonable alternatives were presented to, or considered by, the Department that would lessen any adverse impact on small business.

**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**

These proposed regulations implement mandatory licensing requirements and, therefore, impose specific requirements. The Department must impose specific requirements to ensure firearm precursor part vendors are eligible for licensing.