

**CALIFORNIA DEPARTMENT OF JUSTICE**

**TITLE 11. LAW**

**DIVISION 1. ATTORNEY GENERAL**

**CHAPTER 22. CALIFORNIA PAWN AND SECONDHANDDEALER SYSTEM (CAPSS)**

**FINAL STATEMENT OF REASONS**

**UPDATE OF INITIAL STATEMENT OF REASONS**

There have been no changes in the applicable laws, facts, or to the effect of the proposed regulations, from those described in the Initial Statement of Reasons. In the proposed changes to section 999.506, subdivision (d), the Department is exempting a secondhand dealer or pawnbroker from reporting the information listed in section 999.506, subdivisions (c)(1)(A) through (c)(1)(G) and (c)(2)(D) when a seller or pledger uses a Matricula Consular to verify their identity. Subdivisions (c)(2)(A) through (c)(2)(C) of section 999.506 were referenced in the Initial Statement of Reasons as background information regarding the type of identification that triggers the exemption from reporting the identification number required by subdivision (c)(2)(D) of section 999.506. The Department is only exempting the secondhand dealer and pawnbroker from reporting the seller's or pledger's identification number, which is specified in subdivision (c)(2)(D), and not the other identification document information.

**CORRECTIONS AND NON-SUBSTANTIAL EDITS**

There have been no corrections or non-substantial edits made to the original text since the publication of the Notice of Proposed Rulemaking and Initial Statement of Reasons.

**SUMMARY OF COMMENTS AND DEPARTMENT RESPONSES**

The Department noticed the public on November 5, 2021, of the text of the proposed regulations and Initial Statement of Reasons. From November 5, 2021, through December 23, 2021, the Department received one written comment.

Appendix A is a summary of the comments submitted during the 45-day comment period as well as the Department's responses. Appendix B is a comment index of the commenter and identifies (by number) the comment(s) made by each person. Appendix C includes the original comments submitted to the Department during the 45-day comment period.

**LOCAL MANDATE DETERMINATION**

The proposed regulation does not impose any mandate on local agencies or school districts.

**ALTERNATIVES DETERMINATIONS**

In accordance with Government Code section 111346.9, subdivision (a)(4), the Department has determined that no alternative it considered, or that it otherwise identified, or was brought to its attention, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department has determined that these proposed regulations are the most effective way to update the existing CAPSS to align with the requirements listed in Assembly Bill 1969 with

changes to the reporting requirements for pawnbrokers and secondhand dealers by providing specified exemptions when a seller or pledger verifies their identity using a Matricula Consular in addition to another item of identification bearing an address.

**ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES**

The Department has determined that this proposed action will have no significant economic impact on small businesses because the proposed regulations affect only those individuals currently subject to the provisions of Business and Professions Code section 21628, et seq.

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

**NON-DUPLICATION**

Some of the regulations may repeat or rephrase, in whole or in part, a state or federal statute or regulation. This was necessary to satisfy the clarity standard set forth in Government Code section 11349.1, subdivision (a)(3).