

CALIFORNIA DEPARTMENT OF JUSTICE

**FINAL STATEMENT OF REASONS
FOR PROPOSED ADOPTION OF THE CALIFORNIA PAWN AND SECONDHAND
DEALER SYSTEM (CAPSS) REGULATIONS**

UPDATE OF THE INITIAL STATEMENT OF REASONS

SECTION 2000. The proposed regulation as originally noticed to the public would have defined “Business day” and “Working day.” However, in response to a comment from a member of the directly affected public, the Department removed subdivisions (b) and (q), the proposed definitions for “Business day” and “Working day,” from section 2000 of the proposed regulations.

SECTION 2002. The proposed regulation as originally noticed to the public would have specified that access to CAPSS would be denied as a result of delinquent renewal fees. However, in response to a comment from a member of the directly affected public, the Department revised this section to stipulate that a 60 calendar day period from a license expiration date would apply prior to CAPSS access being denied in order to allow sufficient time to correct.

SECTION 2006. The proposed regulation as originally noticed to the public would have required that a person advise an intended seller or pledger that the use of the intended seller or pledger’s electronic signature and fingerprint on the Property Transaction Report constitutes specified certification. However, in response to a comment from a member of the directly affected public, the Department revised this section to clarify that the requirement is for the secondhand dealer to provide notification to an intended seller or pledger, in order to ensure that the statutory duty to collect the required certification is met.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL
NOTICE PERIOD OF SEPTEMBER 21, 2018, THROUGH NOVEMBER 9, 2018.

The Department received 12 different comments from 3 persons. Attachment A (8 pages) is a summary of the comments submitted during the 45-day comment period and the Department’s responses. Attachment B is a list (1 page) of the commenters, in order of the date of comment, and identifies (by number) the comment(s) made by each person.

COMMENTS RECEIVED DURING THE PERIOD THE MODIFIED TEXT WAS
AVAILABLE TO THE PUBLIC

The modified text was made available to the public for comment from June 3, 2019, through June 18, 2019. The Department received 3 different comments from 1 person. Attachment A

(page 7) contains a summary of the comments submitted during the 15-day comment period and the Department's responses. Attachment B (1 page) identifies (by number) the comment(s) made.

ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS

No alternatives were proposed to the Department that would lessen any adverse economic impact on small business.

ALTERNATIVES DETERMINATION

The Department has determined that no alternative it considered or that was otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the regulation is proposed, would be as effective as and less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.