

**State of California  
Office of Administrative Law**

**In re:**  
**Department of Justice**

**Regulatory Action:**

**Title 11, California Code of Regulations**

**APPROVED:**

**Adopt sections:** 999.500, 999.503, 999.504,  
999.505, 999.506

**DISAPPROVED:**

**Adopt sections:** 999.501, 999.502

**NOTICE OF APPROVAL IN PART AND  
DISAPPROVAL IN PART OF REGULATORY  
ACTION**

**Government Code Section 11349.3**

**OAL Matter Number: 2019-0829-02**

**OAL Matter Type: Regular (S)**

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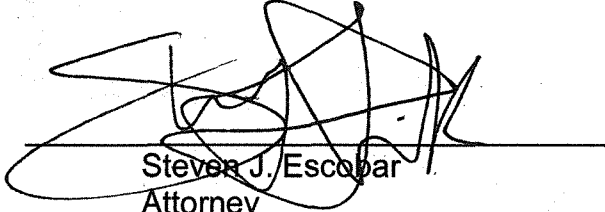
In this regular rulemaking, the Department of Justice ("DOJ") is adopting regulations pertaining to the California Pawn and Secondhand Dealer System, "which is a single, statewide, uniform electronic reporting system that receives secondhand dealer reports and is operated by" DOJ ("CAPPS"). (Bus. & Prof. Code, § 21627.5.) The regulations being adopted include definitions, property description and transaction reporting requirements, and intended seller or pledger identification and fingerprinting requirements. Additionally, DOJ proposes to adopt regulations pertaining to an initial license fee and license renewal fee for a licensed pawnbroker or secondhand dealer.

OAL approves the sections listed as APPROVED above pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 1/1/2020.

OAL disapproves the sections listed as DISAPPROVED above for a lack of necessity.

Within seven (7) calendar days of the date of this notice, the Office of Administrative Law will send the adopting agency a written decision detailing the reason(s) for disapproval of this regulatory filing.

**Date:** October 11, 2019

  
Steven J. Escobar  
Attorney

**Original:** Xavier Becerra, Attorney General  
**Copy:** Julia Zuffelato

**For:** Kenneth J. Pogue  
Director

# REGULAR

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW

## NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-2018-0911-05</b>	REGULATORY ACTION NUMBER <b>2019-0829-025</b>	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

<p>2019 AUG 29 P 1:20</p> <p>OFFICE OF ADMINISTRATIVE LAW</p>	
NOTICE	REGULATIONS

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

OCT 11 2019

3:09 PM

AGENCY WITH RULEMAKING AUTHORITY Department of Justice	AGENCY FILE NUMBER (if any) DOJ-17-003
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### A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER <b>2018 38-2</b>	PUBLICATION DATE <b>9/21/2018</b>

### B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) CA Pawn & Secondhand Dealer System Regulations	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) <del>Z-2018-0911-05</del> per agency request <i>km</i>
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	

<b>SECTION(S) AFFECTED</b> (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT <b>999.500, 999.503, 999.504, 999.505, and 999.506</b>
	AMEND
	REPEAL
TITLE(S) 11	

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)  
June 3, 2019, through June 18, 2019.

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))  Effective on filing with Secretary of State  \$100 Changes Without Regulatory Effect  Effective other (Specify) \_\_\_\_\_

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

Department of Finance (Form STD. 399) (SAM §6660)  Fair Political Practices Commission  State Fire Marshal

Other (Specify) \_\_\_\_\_

7. CONTACT PERSON <b>Julia Zuffelato</b>	TELEPHONE NUMBER <b>(916) 210-6040</b>	FAX NUMBER (Optional) <b>(916) 324-5033</b>	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Sean McCluskie</i>	DATE <b>8/14/19</b>
TYPED NAME AND TITLE OF SIGNATORY Sean McCluskie, Chief Deputy to the Attorney General	

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED**

OCT 11 2019

Office of Administrative Law

per agency request  
10/10/2019

CALIFORNIA DEPARTMENT OF JUSTICE

FINAL TEXT OF THE REGULATIONS

TITLE 11. LAW

DIVISION 1. ATTORNEY GENERAL

CHAPTER 20. CALIFORNIA PAWN AND SECONDHANDDEALER SYSTEM (CAPSS)

**Chapter 20. California Pawn and SecondhandDealer System (CAPSS)**

**Article 1. Chapter Definitions**

**§999.500. Chapter Definitions.**

The following definitions apply to this chapter:

(a) "Article field descriptor," as used in this chapter and Business and Professions Code section 21628, subdivision (a)(3)(B), means the preset descriptive categories denoting tangible personal property developed by the Department.

(b) "Department" means the California Department of Justice.

(c) "Electronic signature" means an image file of a signature that is uploaded or electronically attached to the Property Transaction Report.

(d) "Identification number" means the identification, serial, or other identifying number on the face of the identification presented by the intended seller or pledger.

(e) "Intended seller or pledger address," means the dwelling the intended seller or pledger considers his or her established or principal home and to which, if absent, he or she intends to return. It can be real or personal property, fixed or mobile, and located on land or water.

(f) "Licensing authority," as used in this chapter, Business and Professions Code, division 8, chapter 9, article 4, commencing at section 21625, and Financial Code, division 8, chapter 3, commencing at section 21300, means the police department or sheriff's office issuing the pawnbroker or secondhand dealer license.

(g) "Model" means model name or number of the tangible personal property.

(h) "Owner-applied number," as used in this chapter and Business and Professions Code section 21628, subdivision (a), means a number permanently affixed by the owner on the tangible personal property.

(i) "Person taking the information," as used in this chapter and Business and Professions Code section 21628, subdivision (a), means the store representative taking and verifying the intended seller or pledger's information and obtaining the property description information.

(j) "Plain text description," as used in this chapter and Business and Professions Code section 21628, subdivision (a)(3)(A), means a property description generally accepted by the pawn and secondhand industry that conveys to a reasonable person the clear nature of the property. The "plain text description" entry shall not make reference to the "plain text descriptor."

(k) "Plain text descriptor," as used in this chapter, Business and Professions Code section 21628, subdivision (a)(3)(B), and Business and Professions Code section 21628, subdivision (d)(1), means a concise, non-abbreviated, key word(s) property description generally accepted by the secondhand industry that conveys to a reasonable person the clear nature of the property. The "plain text descriptor" entry shall not make reference to the "plain text description."

(l) "Transaction date," means the calendar date the tangible personal property is received by a licensed pawnbroker or secondhand dealer.

(m) "Transaction time," means the Pacific Time Zone time the tangible personal property is received by a licensed pawnbroker or secondhand dealer.

(n) "Transaction type," means pawn, buy, trade, consign, or auction.

(o) "United States" means the 50 States, the District of Columbia, and any territory or possession of the United States.

Note: Authority cited: Sections 21628, 21628.2, 21630, 21636, 21641, 21642, and 21647, Business and Professions Code; Sections 21300, 21301, and 21303, Financial Code. Reference: Sections 21625, 21628, 21628.2, 21630, 21636, 21641, 21642, and 21647, Business and Professions Code; Sections 21300, 21301, and 21303, Financial Code.

### **Article 3. Pawn and Buy Transaction Reporting**

#### **§999.503. Property Description.**

(a) The "property description" required by Business and Professions Code section 21628, subdivision (a), paragraph (3), subparagraph (A), shall consist of:

- (1) Brand name.
- (2) Model.
- (3) Serial number.
- (4) Owner-applied number.
- (5) Personal inscription.
- (6) Size.
- (7) Color.
- (8) Material.
- (9) Article field.
- (10) Plain text description.
- (11) Manufacturer's pattern name.

(b) The “article field” submission required by Business and Professions Code section 21628, subdivision (a), paragraph (3), subparagraph (B), shall consist of either an article field descriptor or a plain text descriptor.

Note: Authority cited: Section 21628, Business and Professions Code.

Reference: Section 21628, Business and Professions Code.

#### **§999.504. Identification of Intended Seller or Pledger.**

(a)(1) If the identification presented to the person taking the information by the intended seller or pledger is expired or no expiration date is evidenced, the identification’s date of issue shall be entered on the Property Transaction Report.

(2) If the identification presented to the person taking the information by the intended seller or pledger evidences an expiration date that is not expired, the identification’s date of issue or expiration year shall be entered on the Property Transaction Report.

(b) The person taking the information must verify that the identification presented by the intended seller or pledger contains a photograph or physical description, or both.

Note: Authority cited: Sections 21628 and 21630, Business and Professions Code.

Reference: Sections 21628 and 21630, Business and Professions Code.

#### **§999.505 Fingerprint.**

(a)(1) The “fingerprint” of the intended seller or pledger, as required by Business and Professions Code section 21628, subdivision (a), paragraph (6), shall be the right thumbprint.

(2) If the right thumb of the intended seller or pledger cannot be fingerprinted, an alternate finger of the intended seller or pledger shall be fingerprinted.

(3) If the intended seller or pledger has no fingers, this shall be designated using the “Seller or Pledger Has No Fingers” indicator referenced in Section 2006(c)(5)(C).

(b) A fingerprint is “legible,” as that term is used in Business and Professions Code section 21628, subdivision (a), paragraph (6), if a reasonable person can see clearly defined ridges; provided, however, if the intended seller or pledger does not have clearly defined ridges on his or her fingers, the person taking the information shall obtain the fingerprint of the finger with the mostly clearly defined ridges.

Note: Authority cited: Section 21628, Business and Professions Code.

Reference: Section 21628, Business and Professions Code.

#### **§999.506. Property Transaction Report.**

(a) The report of the receipt or purchase of secondhand tangible personal property required by Business and Professions Code sections 21628 is the "Property Transaction Report."

(b) The secondhand dealer or pawnbroker shall electronically submit Property Transaction Reports to CAPSS by one of the following processes:

- (1) The Department's CAPSS web-based report.
- (2) The Department's CAPSS web-based bulk upload.
- (3) The Department's CAPSS application program interface (API) protocol.

(c) The Property Transaction Report shall include the following information:

(1) Intended seller or pledger information:

(A) First name.

(B) Last name.

(C) Date of birth.

(D) Address.

1. If the intended seller or pledger address is in the United States then the street address shall be entered in the "address" field.

2. If the intended seller or pledger address is outside of the United States then the entire non-United States address shall be entered in the "address" field.

3. If the intended seller or pledger has no address then "None" shall be entered in the "address" field.

4. Only one address shall be provided.

(E) City.

1. If the intended seller or pledger address is outside of the United States then no entry shall be made in the "city" field.

(F) US state or territory.

1. If the intended seller or pledger address is outside of the United States then no entry shall be made in the "US state or territory" field.

(G) Postal code.

1. If the intended seller or pledger address is outside of the United States then no entry shall be made in the "postal code" field.

(H) Gender.

(I) Hair color.

(J) Eye color.

(K) Height (ft. and in.).

(L) Weight (lbs.).

(2) Identification document information:

(A) Identification type.

(B) Issuing state or territory.

(C) Issuing country.

(D) Identification number.

(E) Identification date of issue or identification expiration year.

(3) Store information:

(A) Store name.

(B) Secondhand dealer or pawnbroker license number.

(C) Licensing authority.

(D) Address.

- (E) City.
- (F) State.
- (G) Postal code.
- (H) Store phone number.
- (I) Store representative.
- (4) Transaction item(s) information:
  - (A) Transaction date.
  - (B) Transaction time.
  - (C) Transaction type.
  - (D) Article field.
    - 1. The "article field" shall consist of either an article field descriptor or a plain text descriptor.
  - (E) Plain text description.
  - (F) Brand name.
    - 1. If the brand name of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "brand name" field.
    - 2. If the tangible personal property has no brand name then "None" shall be entered in the "brand name" field.
  - (G) Model.
    - 1. If the model name or number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "model" field.
    - 2. If the tangible personal property has no model name or number then "None" shall be entered into the "model" field.
  - (H) Color.
  - (I) Material.
    - 1. If the material of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "material" field.
  - (J) Size.
    - 1. If the size of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "size" field.
  - (K) Serial number.
    - 1. If the serial number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "serial number" field.
    - 2. If the tangible personal property has no serial number then "None" shall be entered in the "serial number" field.
  - (L) Owner-applied number.
    - 1. If the owner-applied number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "owner-applied number" field.
    - 2. If the tangible personal property has no owner-applied number then "None" shall be entered in the "owner-applied number" field.
  - (M) Personal inscription.
    - 1. If the personal inscription of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "inscription" field.
    - 2. If the tangible personal property has no personal inscription then "None" shall be entered in the "inscription" field.
  - (N) Manufacturer's pattern name.

1. If the manufacturer's pattern name of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "manufacturer's pattern name" field.

2. If the tangible personal property has no manufacturer's pattern name then "None" shall be entered in the "manufacturer's pattern name" field.

(5) Electronic signature and fingerprint information:

(A) Seller or pledger electronic signature.

(B) Seller or pledger fingerprint.

(C) Seller or pledger has no fingers indicator.

(d) Submission of the Property Transaction Report by the pawnbroker or secondhand dealer affirms that the person taking the information has verified the identification of the intended seller or pledger.

(e) The person taking the information shall notify the intended seller or pledger that the use of the intended seller or pledger's electronic signature and fingerprint on the Property Transaction Report constitutes certification by the intended seller or pledger that:

(1) He or she is the owner or has the authority of the owner to sell or pledge the property;  
and,

(2) To his or her knowledge and belief the information he or she provided is true and complete.

Note: Authority cited: Section 21628, Business and Professions Code.

Reference: Section 21628, Business and Professions Code.