

**CALIFORNIA DEPARTMENT OF JUSTICE**  
**TITLE 11. LAW**  
**DIVISION 5. FIREARMS REGULATIONS**  
**CHAPTER 2. CENTRALIZED LIST OF FIREARMS DEALERS**  
**NOTICE OF PROPOSED RULEMAKING**

Notice published June 6, 2025

The Department of Justice (Department) proposes to repeal existing section 4016, amend existing sections 4017 (renumbered to 4010), 4018 (renumbered to 4011), 4019 (renumbered to 4012), 4021 (renumbered to 4013), 4022 (renumbered to 4014), 4023 (renumbered to 4015), and 4024, and adopt new sections 4016, 4017, 4018, 4019, 4020 of Title 11, Division 5, Chapter 2 of the California Code of Regulations (CCR) concerning California firearm dealers.

**PUBLIC HEARING**

The Department has not scheduled a public hearing on this proposed regulatory action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person, or their authorized representative, no later than 15 days before the close of the written comment period.

**WRITTEN COMMENT PERIOD**

Any interested person or their authorized representative may submit written comments relevant to the proposed regulatory action. The written comment period closes on **July 22, 2025, at 5:00 p.m.** Only written comments received by this time will be considered. Please submit written comments to:

A. Mendoza  
CA Department of Justice  
PO BOX 160487  
Sacramento, CA 95816  
916-210-2337  
[bofregulations@doj.ca.gov](mailto:bofregulations@doj.ca.gov)

NOTE: Written and oral comments, attachments, and associated contact information (e.g., address, phone, email, etc.) become part of the public record and can be released to the public upon request.

## **AUTHORITY AND REFERENCE**

Authority: Section 26715, 26720, 26800, and 27310, Penal Code.

Reference: Section 26715, 26720, 26800, 26915, and 27310, Penal Code.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

### **Summary of Existing Laws and Regulations:**

Existing law allows the Department to inspect firearm dealers at least every three years to ensure compliance with any applicable state law. (Pen. Code, § 26720.) Existing law subjects a license to sell, lease, or transfer firearms to forfeiture for a violation of regulations on the transfer of firearms, except for violations of specified provisions relating to the storage and inspection of firearms. (Pen. Code, § 26800, subd. (a).) The Department may also remove any dealer from the Centralized List if they knowingly or with gross negligence violate a provision listed in Penal Code section 16575. (Pen. Code, § 26715, subd. (b)(1).)

Effective January 1, 2024, Penal Code section 26800, subdivision (b), authorizes the Department to assess a civil fine against a firearm dealer, in an amount not to exceed one thousand dollars (\$1,000), for any breach of any applicable state law. The Department may assess a civil fine, in an amount not to exceed three thousand dollars (\$3,000), for a violation of a prohibition or requirement of Article 2 (commencing with Penal Code section 26800) that subjects the license to forfeiture under subdivision (a), for either of the following:

- (1) The licensee has received written notification from the Department regarding the violation and subsequently failed to take corrective action in a timely manner;
- (2) The licensee is otherwise determined by the Department to have knowingly or with gross negligence violated the prohibition or requirement.

Pursuant to Penal Code section 26800, subdivision (c), the Department may adopt regulations setting fine amounts and providing a process for a firearm dealer to appeal a fine assessed pursuant to subdivision (b).

### **Effect of the Proposed Rulemaking:**

The proposed regulations provide a clear and concise structure for the Department to identify violations during inspections of California firearm dealers, assess civil fines based on the level of severity of a violation, and implement a plan of action for the licensee to correct a violation (if applicable). These regulations will incorporate by reference a list detailing the potential violations and related civil fines. These proposed regulations would also provide specific processes regarding payment of civil fines and appeals. This proposed rulemaking will impact

licensees who are not in compliance with current licensing laws, and set standards for removing a dealer from the Centralized List for serious violations.

### **Anticipated Benefits of the Proposed Regulations:**

These proposed regulations would allow the Department to enforce the provisions, prohibitions, and requirements set forth in Penal Code section 26800. California has passed some of the strongest gun safety measures in the nation. But those laws only work if the Department can enforce compliance. These regulations will increase compliance from firearm dealers. These regulations will make specific all aspects regarding the process for assessing civil fines for firearm dealers – including definitions, inspections, the assessment and collection of fines, appeals process, and the various considerations that determine the severity of a violation. These regulations allow for lesser violations to be corrected without assessing a civil fine and more serious violations, such as finding an assault weapon, subject to a civil fine and corrective action. Imposing civil fines and permitting a firearm dealer to correct violations creates the opportunity for the Department to educate firearm dealers, while not having to take the extreme measure of revoking a firearm dealer's license for any violation. Additionally, having well-regulated firearm dealers protects California's health, safety, and welfare. Ensuring firearms are being sold and transferred safely and legally in California is essential for protecting the public from the potential dangers of firearms.

### **Comparable Federal Regulations:**

#### ***27 CFR § 478.73 Notice of revocation, suspension, or imposition of civil fine.***

(a) Basis for action. Whenever the Director has reason to believe that a licensee has willfully violated any provision of the Act or this part, a notice of revocation of the license, ATF Form 4500, may be issued. In addition, a notice of revocation of the license, on ATF Form 4500, may be issued whenever the Director has reason to believe that a licensee fails to have secure gun storage or safety devices available at any place in which firearms are sold under the license to persons who are not licensees (except in any case in which a secure gun storage or safety device is temporarily unavailable because of theft, casualty loss, consumer sales, backorders from a manufacturer, or any other similar reason beyond the control of the licensee). In addition, pursuant to [18 U.S.C. 922\(t\)\(5\)](#) and [18 U.S.C. 924\(p\)](#), a notice of revocation, suspension, or imposition of a civil fine may be issued on ATF Form 4500 whenever the Director has reason to believe that a licensee has knowingly transferred a firearm to an unlicensed person and knowingly failed to comply with the requirements of [18 U.S.C. 922\(t\)\(1\)](#) with respect to the transfer and, at the time that the transferee most recently proposed the transfer, the national instant criminal background check system was operating and information was available to the system demonstrating that transfer to the transferee or their receipt of a firearm would violate [18 U.S.C. 922\(d\)](#), [922\(g\)](#), or [922\(n\)](#) (as applicable), or State, local, or Tribal law; or that a licensee has violated [18 U.S.C. 922\(z\)\(1\)](#) by selling, delivering, or transferring any handgun to any

person other than a licensee, unless the transferee was provided with a secure gun storage or safety device for that handgun.

(b) Issuance of notice. The notice shall set forth the matters of fact constituting the violations specified, dates, places, and the sections of law and regulations violated. The Director shall afford the licensee 15 days from the date of receipt of the notice in which to request a hearing prior to suspension or revocation of the license, or imposition of a civil fine. If the licensee does not file a timely request for a hearing, the Director shall issue a final notice of suspension or revocation and/or imposition of a civil fine on ATF Form 5300.13, as provided in [§ 478.74](#).

***18 USC 922(t)(5) (Inserted for additional context relating to 27 CFR § 478.73)***

(5) If the licensee knowingly transfers a firearm to such other person and knowingly fails to comply with paragraph (1) of this subsection with respect to the transfer and, at the time such other person most recently proposed the transfer, the national instant criminal background check system was operating and information was available to the system demonstrating that transfer of a firearm to or receipt of a firearm by such other person would violate subsection (d), (g), or (n) (as applicable) of this section or State, local, or Tribal law, the Attorney General may, after notice and opportunity for a hearing, suspend for not more than 6 months or revoke any license issued to the licensee under section 923, and may impose on the licensee a civil fine of not more than \$5,000.

The proposed regulations create a process for the Department to inspect California firearm dealers, identify violations and corrective action to be taken, and assess civil fines based on the severity of a violation. This differs from 27 CFR section 478.73, which deals specifically with license forfeiture, suspension, and imposition of civil fines for illegal firearms transfers, sales, and deliveries (e.g., a licensed firearm dealer knowingly transfers a firearm to a prohibited person without a background check). The proposed regulations impose civil fines for a much broader scope of violations – ranging from less-severe violations (e.g., failure to post a required sign), to most-severe and egregious violations, which are committed with gross negligence (e.g., straw purchase).

***27 CFR § 478.74 Request for hearing after notice of suspension, revocation, or imposition of civil fine.***

If a licensee desires a hearing after receipt of a notice of suspension or revocation of a license, or imposition of a civil fine, the licensee shall file a request, in duplicate, with the Director of Industry Operations within 15 days after receipt of the notice of suspension or revocation of a license, or imposition of a civil fine. On receipt of such request, the Director of Industry Operations shall, as expeditiously as possible, make necessary arrangements for the hearing and advise the licensee of the date, time, location, and the name of the officer before whom the hearing will be held. Such notification shall be made no less than ten days in advance of the date set for the hearing. On conclusion of the hearing and consideration of all the relevant

presentations made by the licensee or the licensee's representative, the Director shall render a decision and shall prepare a brief summary of the findings and conclusions on which the decision is based. If the decision is that the license should be revoked, or, in actions under 18 USC 922(t)(5) or 924(p), that the license should be revoked or suspended, or that a civil fine should be imposed, a certified copy of the summary shall be furnished to the licensee with the final notice of revocation, suspension, or imposition of a civil fine on ATF Form 5300.13. If the decision is that the license should not be revoked, or in actions under 18 USC 922(t)(5) or 924(p), that the license should not be revoked or suspended, and a civil fine should not be imposed, the licensee shall be notified in writing. During the hearing, the licensee will have the opportunity to submit facts and arguments for review and consideration; offers of settlement will not be entertained at the hearing but may be made before or after the hearing.

The proposed regulations offer a process for licensees to appeal civil fines imposed by the Department. This process would require the licensee to submit a form to the Department within 30 days from the date the citation was issued. All appeals will be conducted in accordance with the Administrative Procedures Act (Government Code section 11500 et. seq.). This is similar to 27 CFR § 478.74, which states if a licensee desires to appeal a suspension, revocation or a civil fine, a hearing is required to be coordinated and held at a location given to the licensee.

#### **Determination of Inconsistency/Incompatibility with Existing State Regulations:**

The Department has determined that these proposed regulations are not inconsistent or incompatible with existing state regulations. After conducting a review for any regulations that would relate to or affect this area, the Department has concluded that these are the only regulations that concern civil fines for firearm dealers.

#### **Forms Incorporated by Reference:**

- Firearm Dealer Civil Violation List (form BOF 1050, Orig. 01/2026). Sections affected: 4017.
- Firearm Dealer Appeals Form (form BOF 1112, Orig. 01/2026). Sections affected: 4016 and 4020.

#### **Other Statutory Requirements:**

None.

## **DISCLOSURES REGARDING THE PROPOSED ACTION**

### **The Department's Initial Determinations:**

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: The Bureau of Firearms needs one permanent Associate Governmental Program Analyst for the Training, Information and Compliance Section to track violations and fines issued, follow up on corrective actions with Field Representatives, and distribute notices to the industry. The cost is \$139,000 annually.

The Department will assess a civil fine if a dealer is found in violation of any applicable law. Therefore, any money the Department collects due to assessing civil fines on firearm dealers will be new revenue.

The estimated impact is difficult to predict because the assumption underlying the impact is that firearm dealers will take additional steps to comply with state law to avoid paying penalties. Based on past audits and investigations, the Department estimates the impact will be minimal as most firearm dealers comply with most state law requirements.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other non-discretionary costs or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on representative person or business: The Department is unaware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Civil fines will only be assessed when licensees violate the law. Civil fines range from \$100 to \$3,000, depending on the severity of the violation. The fine amounts are high enough to motivate compliance, but reasonable enough as to not cause extreme financial hardship (e.g., business closure; employee lay-offs).

Significant effect on housing costs: None.

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

## **Results of the Economic Impact Assessment (EIA):**

The Department concludes that it is unlikely that the proposal will create or eliminate jobs within the state, unlikely that the proposal will create new businesses or eliminate existing businesses within the state, and unlikely that the proposal will result in the expansion of businesses currently doing business within the state.

The Department also concludes that:

(1) The proposal would benefit the health and welfare of California residents by increasing compliance from firearm dealers. Having well-regulated firearm dealers directly protects the health and welfare of California. Ensuring firearms are being sold and transferred safely and legally in California is essential for protecting the public from the potential dangers of firearms.

(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.

Business report requirement: None.

Small business determination: The Department has determined the proposed action affects small businesses. However, the cost impact would only affect licensees who violate the law.

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or 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 the proposed regulations are the most effective way to assess civil fines for firearm dealers.

## **CONTACT PERSONS**

Inquiries concerning the proposed administrative action may be directed to:

A. Mendoza  
CA Department of Justice  
PO BOX 160487  
Sacramento, CA 95816  
916-210-2372  
[bofregulations@doj.ca.gov](mailto:bofregulations@doj.ca.gov)

Questions regarding procedure, comments, or the substance of the proposed action should be addressed to the above contact person. In the event the contact person is unavailable, inquiries regarding the proposed action may be directed to the following backup contact person:

S. Villareal  
CA Department of Justice  
PO BOX 160487  
Sacramento, CA 95816  
916-210-2364  
[bofregulations@doj.ca.gov](mailto:bofregulations@doj.ca.gov)

**AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE**

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process upon request to the contact person above. As of the date, this Notice of Proposed Rulemaking (Notice) is published in the Notice Register, the rulemaking file consists of this Notice, the Text of Proposed Regulations (the “express terms” of the regulations), the forms incorporated by reference, the Initial Statement of Reasons, and any information upon which the proposed rulemaking is based. The text of this Notice, the express terms, the forms, the Initial Statement of Reasons, and any information upon which the proposed rulemaking is based are available on the Department’s website at <https://oag.ca.gov/firearms/regs>. Please refer to the contact information listed above to obtain copies of these documents.

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After the Department analyzes all timely and relevant comments received during the 45-day public comment period, the Department will either adopt these regulations substantially as described in this notice or make modifications based on the comments. If the Department makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of the name and address indicated above. The Department



will accept written comments on the modified regulations for 15 days after the date on which they are made available.

#### **AVAILABILITY OF THE FINAL STATEMENT OF REASONS**

Upon its completion, a copy of the Final Statement of Reasons will be available on the Department's website at <https://oag.ca.gov/firearms/regs>. Please refer to the contact information listed above to obtain a written copy of the Final Statement of Reasons.

#### **AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of this Notice, the express terms, the forms incorporated by reference, the Initial Statement of Reasons, and any information upon which the proposed rulemaking is based are available on the Department's website at <https://oag.ca.gov/firearms/regs>.