

CALIFORNIA DEPARTMENT OF JUSTICE
TITLE 11. LAW
DIVISION 5. FIREARMS REGULATIONS
CHAPTER 2. CALIFORNIA FIREARM DEALERS

INITIAL STATEMENT OF REASONS

PROBLEM STATEMENT

Assembly Bill 1263 (Chapter 636, Statutes of 2025) amended Civil Code section 3273.51 to prohibit a person from knowingly or willfully causing another person to engage in the unlawful manufacture of firearms or knowingly or willfully aiding, abetting, prompting, or facilitating the unlawful manufacture of firearms, including the manufacture of assault weapons or .50 BMG rifles or the manufacture of any firearm using a three-dimensional printer or computer numerical control (CNC) milling machine.

As relevant here, prior to completing the sale or delivery in California or to a California resident of a firearm accessory or a firearm manufacturing machine, as described in Civil Code section 3273.50, or of a firearm barrel unattached to a firearm, a firearm industry member shall:

- Provide a prospective purchaser with a “clear and conspicuous notice” of the information provided in Civil Code section 3273.51, subdivision (e)(2); and
- Receive an acknowledgment from the prospective purchaser attesting that the prospective purchaser received and understands the notice provided according to Civil Code section 3273.51, subdivision (e)(2).

The proposed regulation requires firearm dealers to provide a copy of the notice to the prospective purchaser and maintain this notice for inspection for three years. In addition, the proposed regulation would adopt a new form, available for optional use, which provides notice of the information in Civil Code section 3273.51, subdivision (e)(2) to prospective purchasers.

BENEFITS ANTICIPATED FROM REGULATORY ACTION

Requiring dealers to maintain the notice required by Civil Code section 3273.51 enables the Department to ensure compliance with this law. The regulation also gives the dealer an option to provide a form that is created by the Department to prospective purchasers. The form acts as a notice and informs prospective buyers of potential violations regarding manufacturing firearms. This will also minimize confusion about what is expected for both dealers and purchasers to comply with the newly enacted law.

SPECIFIC PURPOSE AND NECESSITY OF EACH SECTION

Chapter 2. California Firearm Dealers

§ 4022. Firearms Dealer Inspections.

Subdivision (b)(5) requires dealers to make available for inspection the Notice and Acknowledgment Regarding Firearms Manufacturing Crimes (BOF 146) or similar document which provided notice to the prospective purchaser of the information in Civil Code section 3273.51, subdivision (e)(2). This is necessary so the Department can verify dealers are complying with the new notice requirements. The Notice and Acknowledgment Regarding Firearms Manufacturing Crimes (BOF 146) serves as a notice that is provided to a prospective purchaser and is optional for dealers to use.

Subdivision (b)(5)(A) requires the prospective purchaser to print and sign their name on the notice to indicate their acknowledgment that they received and understand it. If the acknowledgment is provided orally, there is no way for the Department to verify compliance. Therefore, both the notice and acknowledgment must be provided in writing.

Subdivision (b)(5)(B) requires the notice to include (1) the date of the sale or delivery of the firearm accessory, firearm manufacturing machine, or firearm barrel unattached to a firearm; and (2) the firearm dealer's name and license number. Again, this is necessary for the Department to verify compliance. Including the date and dealer information is necessary so the Department can match the record to the transaction.

Subdivision (b)(5)(C) requires the firearm dealer to retain the notice for three years. Requiring dealers to maintain the notice for three years is necessary because dealers are inspected at least once every three years. (Pen. Code, § 26720.) The dealer must also give a copy of the notice to the purchaser. This ensures that the purchaser can reference the notice to be reminded of the laws.

Subdivision (b)(5)(D) allows dealers to maintain the notice in electronic format. This option is provided because some dealers prefer to maintain documents in electronic format.

Changes without regulatory effect. Authority and reference citations are amended.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The Department concludes:

(1) It is unlikely that the proposal would create or eliminate jobs within the state because the regulation requires firearm dealers to maintain the Civil Code section 3273.51 notice for inspection for three years. Requiring dealers to maintain the notice for three years will not lead to the creation or elimination of jobs.

(2) It is unlikely that the proposal would create new businesses or eliminate existing businesses within the state because the regulation requires firearm dealers to maintain the Civil Code section 3273.51 notice for inspection for three years. Requiring dealers to maintain the notice for three years will not lead to the creation of new businesses or elimination of current businesses.

(3) It is unlikely that the proposal would result in the expansion of businesses currently doing business within the state because the regulation requires firearm dealers to maintain the Civil Code section 3273.51 notice for inspection for three years. Requiring dealers to maintain the notice for three years will not lead to the expansion of businesses currently doing business in the state.

The Department also concludes that:

(1) The proposal would benefit the health and welfare of California residents by reducing the illegal manufacturing of firearms and providing notice to the public regarding illegal manufacturing of firearms as defined in Civil Code section 3273.51, subdivision (e)(2). The proposal minimizes confusion and provides clear guidance to both dealers and prospective purchasers, which benefits the health and welfare of California residents.

(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.

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.

This determination is based on the fact that the regulations require firearm dealers to maintain the Civil Code section 3273.51 notice for inspection for three years. There is no economic impact on these businesses.

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 businesses. The proposal minimizes confusion and provides clear guidance to both dealers and prospective purchasers. The Department has created a notice available for optional use, reducing any burden on dealers.

**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:

The proposed regulations do not mandate the use of specific technologies or equipment or prescribe specific actions or procedures.