

AMENDED IN SENATE SEPTEMBER 1, 2023

AMENDED IN SENATE JULY 13, 2023

AMENDED IN SENATE JUNE 26, 2023

AMENDED IN ASSEMBLY MAY 18, 2023

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

## ASSEMBLY BILL

**No. 28**

**Introduced by Assembly Members Gabriel and McCarty**

*(Principal coauthor: Senator Portantino)*

**(Coauthors: Assembly Members Aguiar-Curry, Alvarez, Bauer-Kahan, Bennett, Berman, Boerner, Wendy Carrillo, Connolly, Mike Fong, Friedman, Gipson, Kalra, Lee, Low, Lowenthal, Petrie-Norris, Quirk-Silva, Santiago, Schiavo, Weber, Wicks, Wood, and Zbur)**

**(Coauthors: Senators Allen, Archuleta, *Ashby*, Becker, Blakespear, Bradford, Durazo, Glazer, Gonzalez, *Laird*, Limón, *McGuire*, *Menjivar*, *Min*, Padilla, Rubio, Skinner, Smallwood-Cuevas, Stern, and Wiener)**

December 5, 2022

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*An act to amend Sections 26700, 26705, and 30395 of, and to add Chapter 3 (commencing with Section 34400) to Division 12 of Title 4 of Part 6 of, the Penal Code, and to add Part 16 (commencing with Section 36001) to Division 2 of the Revenue and Taxation Code, relating to firearms, and making an appropriation therefor.*

## LEGISLATIVE COUNSEL'S DIGEST

AB 28, as amended, Gabriel. Firearms and ammunition: excise tax.

Existing law establishes the California Violence Intervention and Prevention (CalVIP) Grant Program, administered by the Board of State and Community Corrections, to award competitive grants for the purpose of violence intervention and prevention.

Existing law imposes various taxes, including taxes on the privilege of engaging in certain activities. The Fee Collection Procedures Law, the violation of which is a crime, provides procedures for the collection of certain fees and surcharges.

This bill, the ~~Gun Violence Prevention, Healing, and Recovery~~ *Prevention and School Safety Act*, would, commencing July 1, 2024, impose an excise tax in the amount of 11% of the gross receipts from the retail sale in this state of a firearm, firearm precursor part, and ammunition, as specified. The tax would be collected by the state pursuant to the Fee Collection Procedures Law. The bill would require that the revenues collected be deposited in the ~~Gun Violence Prevention, Healing, and Recovery~~ *Prevention and School Safety Fund*, which the bill would establish in the State Treasury. The bill would require the moneys received in the fund to be used to fund various gun violence prevention, education, research, response, and investigation programs, as specified. The bill would require the Director of Finance to transfer, as a loan, \$2,400,000 from the General Fund to the California Department of Tax and Fee Administration to implement these provisions, as specified. The bill would require each licensed firearms dealer, firearms manufacturer, and ammunition vendor to register with the department for a ~~permit, certificate, as specified, and would, commencing on July 1, 2024, prohibit a licensed firearms dealer, firearms manufacturer, or ammunition vendor to operate without a valid permit, as specified.~~ The bill would also provide procedures for the issuance, revocation, and reinstatement of a permit.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.

Because this bill would expand the scope of the Fee Collection Procedures Law, the violation of which is a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known, and may be cited, as the  
2 Gun Violence ~~Prevention, Healing, and Recovery~~ *Prevention and*  
3 *School Safety* Act.

4 SEC. 2. The Legislature hereby finds and declares all of the  
5 following:

6 (a) Gun violence is a public health and safety crisis nationwide.  
7 Firearms are now the leading cause of death for American children.  
8 California's gun death rates are substantially lower than the  
9 national average, yet firearms remain a leading cause of death,  
10 injury, and trauma for young people and especially young people  
11 of color in this state.

12 (b) Gun violence also contributes to significant racial and  
13 socioeconomic inequality in safety. The most recent available data  
14 from the federal Centers for Disease Control and Prevention (CDC)  
15 indicates that in 2021, nationwide, the parents of a Black son 13  
16 to 19 years of age were more likely to lose their child to gun  
17 homicide than every other cause of death combined.

18 (c) A majority of gun assault victims survive the shooting but  
19 are often left to grapple with severe physical and mental injuries  
20 and long-term expenses, impairments, and pain. People who have  
21 been direct victims of violence are at substantially higher risk of  
22 being violently reattacked or killed, in part because a large majority  
23 of nonfatal shootings do not lead to arrest. Strained by the  
24 overwhelming number of shootings and related challenges, law  
25 enforcement agencies across the United States cleared less than  
26 one-third of aggravated assaults with firearms in 2019. Victims  
27 who have been shot, shot at, or chronically exposed to threats of  
28 gun violence and associated traumas may seek safety by affiliating  
29 with armed groups or engaging in retaliatory violence themselves.

1 (d) Gun violence imposes enormous harms on those who are  
2 not direct victims as well. The Director of the CDC’s Division of  
3 Violence Prevention presented research to Congress demonstrating  
4 that “youth living in inner cities show a higher prevalence of  
5 post-traumatic stress disorder than soldiers” in the nation’s wartime  
6 military. Many studies have documented how witnessing a shooting  
7 or being chronically exposed to gun violence is correlated with  
8 increased risk of negative health outcomes, criminal system  
9 involvement, reduced educational engagement and achievement,  
10 and longer term negative impacts on workforce potential and  
11 earnings.

12 (e) The CDC notes that “Community violence can cause  
13 significant physical injuries and mental health conditions such as  
14 depression, anxiety, and post-traumatic stress disorder (PTSD).  
15 Living in a community experiencing violence is also associated  
16 with increased risk of developing chronic diseases. Concerns about  
17 violence may prevent some people from engaging in healthy  
18 behaviors, such as walking, bicycling, using parks and recreational  
19 spaces, and accessing healthy food outlets. Violence scares people  
20 out of participating in neighborhood activities, limits business  
21 growth and prosperity, strains education, justice, and medical  
22 systems, and slows community progress.”

23 (f) In addition to its enormous human toll, gun violence also  
24 causes economic harm in impacted communities and imposes  
25 enormous fiscal burdens on state and local governments and  
26 taxpayers. A report from the National Institute for Criminal Justice  
27 Reform in 2020 determined that each firearm homicide in Stockton,  
28 California cost taxpayers at least \$2,500,000 in direct government  
29 costs such as medical, law enforcement, court expenses, and lost  
30 tax revenue; nonfatal shootings with a single suspect were also  
31 estimated to cost taxpayers nearly \$1,000,000 on average. A 2021  
32 report by Everytown for Gun Safety found that gun deaths and  
33 injuries cost California \$22.6 billion annually, of which \$1.2 billion  
34 is paid by taxpayers every year. Gun violence also imposes broader  
35 indirect costs in the form of reduced home values and reduced  
36 profitability for local businesses. A report by the Urban Institute  
37 found that each additional homicide in a census tract in Oakland,  
38 California was “significantly associated with five fewer job  
39 opportunities among contracting businesses (businesses losing  
40 employees) the next year.”

1 ~~(g) Even the most responsible members of the firearm and~~  
2 ~~ammunition industry profit from commerce in uniquely lethal~~  
3 ~~products that are commonly used to cause death and injury in this~~  
4 ~~state, while enjoying unique exemptions and immunities under~~  
5 ~~federal law from many forms of civil liability, accountability, and~~  
6 ~~product safety regulation that might otherwise incentivize safer~~  
7 ~~business conduct and mitigation efforts.~~

8 ~~(h)~~

9 ~~(g) The firearm industry has also enjoyed windfall profits on~~  
10 ~~top of sustained long-term growth at a time of record nationwide~~  
11 ~~spikes in shootings and gun homicides. *record growth and profits*~~  
12 ~~*for years.* A 2020 Economic Impact Report by the firearm industry~~  
13 ~~trade association, the National Shooting Sports Foundation (NSSF),~~  
14 ~~noted that “the economic growth that America’s firearm and~~  
15 ~~ammunition industry has experienced in recent years has been~~  
16 ~~nothing short of remarkable.” A 2022 NSSF Economic Impact~~  
17 ~~Report said the same thing, and documented a 269-percent increase~~  
18 ~~in the firearm and ammunition industry’s estimated economic~~  
19 ~~impact from 2008 to 2021 and an 11-percent increase from 2020~~  
20 ~~to 2021 alone. Federal Bureau of Investigation National Instant~~  
21 ~~Criminal Background Check System (FBI NICS) background~~  
22 ~~check data indicates that as of January 31, 2023, 7 out of the top~~  
23 ~~10 days with the highest volume of firearm background checks on~~  
24 ~~record occurred in 2021 or 2022. In California, gun sales increased~~  
25 ~~56 percent from 2019 to 2020. The number of people with at least~~  
26 ~~one firearm acquisition recorded in California Department of~~  
27 ~~Justice records increased by over 20 percent between January 1,~~  
28 ~~2020, and January 1, 2022.~~

29 ~~(i) This surge in firearm and ammunition sales and profits has~~  
30 ~~occurred alongside~~

31 ~~(h) *There has also been* an unprecedented spike in shootings~~  
32 ~~and gun homicides across the United States and California. *As the*~~  
33 ~~firearm industry has gained record profits, California and local~~  
34 ~~taxpayers have faced increased costs and economic harms as a~~  
35 ~~consequence, while more families and communities have suffered~~  
36 ~~the brutal loss or victimization of a loved one. *According to CDC*~~  
37 ~~*data from 2011 to 2021, the nationwide firearm homicide rate*~~  
38 ~~*increased 85 percent.*~~

39 ~~(j)~~

1 (i) Firearms and ammunition sold by licensed manufacturers,  
2 dealers, and vendors of these products contribute to gun violence  
3 and broader harms. Gun dealers, for example, are the leading source  
4 of firearms trafficked to illegal markets, often through straw  
5 purchases, as well as negligent losses.

6 ~~(k)~~

7 (j) The excise tax on firearm and ammunition retailers proposed  
8 in this act is analogous to longstanding federal law, which has,  
9 since 1919, placed a 10-percent to 11-percent excise tax on the  
10 sale of firearms and ammunition by manufacturers, producers, and  
11 importers. Revenues from this excise tax have been used, since  
12 passage of the Pittman-Robertson Federal Aid in Wildlife  
13 Restoration Act in 1937, to fund wildlife conservation efforts that  
14 remediate the effects that firearms and ammunition have on wildlife  
15 populations through game hunting, particularly through grants to  
16 state wildlife agencies, and for conservation-related research,  
17 technical assistance, hunter safety, and “hunter development.”

18 ~~(t)~~

19 (k) This act will similarly place a reasonable surtax on firearm  
20 and ammunition industry members profiting from the sale of  
21 firearms and ammunition in order to generate sustained revenue  
22 for programs that are designed to remediate the devastating effects  
23 these products cause families and communities across this state.

24 ~~(m)~~

25 (l) The National Rifle Association has referred to the  
26 Pittman-Robertson federal Firearms and Ammunition Excise tax  
27 as a “legislative model” and “friend of the hunter,” and NSSF has  
28 repeatedly emphasized the importance of this federal firearm  
29 industry excise tax as well. A 2019 statement by an NSSF director  
30 published on NSSF’s internet website emphasized that “an often  
31 overlooked, and certainly under-communicated benefit, is the  
32 impact that excise taxes on firearms and ammunition have on  
33 conservation and wildlife populations,” and a similar 2018  
34 statement from NSSF praised Key Pittman and Willis Robertson,  
35 the legislators who sponsored the Pittman-Robertson excise tax,  
36 as “heroes of the most successful conservation model in the world.”

37 ~~(n)~~

38 (m) This act would similarly provide dedicated revenue to  
39 sustain and expand effective gun violence prevention, healing, and  
40 recovery programs for families and communities across California,

1 particularly in communities most disproportionately impacted by  
2 gun violence.

3 ~~(e)~~

4 (n) This act is consistent with our nation’s longstanding  
5 historical tradition of regulating commercial firearm and  
6 ammunition manufacturers and sellers, including through federal,  
7 state, and local taxes on this commercial activity. An 1883  
8 California statute, for instance, directed local governments to  
9 provide for payment of all revenue assessed as a tax, or received  
10 for licenses, on the storage, manufacture, and sale of gunpowder  
11 and related products in order to fund a “Fireman’s Charitable Fund”  
12 to support professionals tasked with remediating the collateral  
13 impacts of firearm-related commercial activity on public safety  
14 through fire risk.

15 (o) *In the historical record, other states, including Mississippi*  
16 *(1844), North Carolina (1857), Georgia (1866), Alabama (1867),*  
17 *Hawaii (1870), Nebraska (1895), Florida (1898), Wyoming (1899),*  
18 *and Virginia (1926), have similarly enacted longstanding*  
19 *commercial, occupational, or other taxes on those selling,*  
20 *purchasing, or possessing firearms and other dangerous weapons.*

21 (p) The tax specified in this act is a modest and reasonable tax  
22 on a profitable industry whose lawful and legitimate business  
23 activity imposes substantial harmful externalities on California’s  
24 families, communities, and taxpayers. The modest tax proposed  
25 in this measure mirrors the Pittman-Robertson federal excise tax  
26 on firearm and ammunition industry participants, is similarly  
27 dedicated to funding programs to remediate the harmful  
28 externalities of firearm industry commerce, and is similarly  
29 unlikely to discourage lawful sales and commerce in firearms or  
30 ammunition. A gun policy research review by the Rand Corporation  
31 noted that the available “research suggests that moderate tax  
32 increases on guns or ammunition would do little to disrupt hunting  
33 or recreational gun use.”

34 (q) The revenue from this act would provide sustained, dedicated  
35 investments in programs that are effective at addressing and  
36 remediating harms caused by firearm and ammunition industry  
37 products, including investments in: (1) community gun violence  
38 intervention and prevention initiatives that help address risk factors  
39 for violent behavior, protect and heal victims, interrupt cycles of  
40 shootings, trauma, and retaliation among those at highest risk, and

1 address racial inequality in access to safety for communities of  
2 color; (2) gun violence research that helps stakeholders identify  
3 leading causes and evidence-based responses to gun violence; (3)  
4 initiatives that train health care providers about effective clinical  
5 tools for preventing firearm suicide and injury; (4) crime victim  
6 services, including mental health services, for victims of mass  
7 shootings and other gun homicides, and individuals chronically  
8 exposed to gun violence in their community, including students  
9 in school districts disproportionately impacted by gun violence in  
10 the school or broader community; (5) coordinated efforts to ensure  
11 firearm and ammunition purchasers are adequately informed about  
12 how to comply with California's gun safety laws and  
13 responsibilities associated with safe use and possession of firearms,  
14 including child access prevention, and to promote effective and  
15 equitable implementation of California's gun safety laws and  
16 programs; (6) programs that promote victims' and public safety  
17 by ensuring the prompt, safe, and consistent removal of firearms  
18 and ammunition from people who become prohibited from  
19 possessing them, such as after a gun violence or domestic violence  
20 restraining order; and (7) evidence-based activities to effectively  
21 and equitably support gun homicide and shooting investigations  
22 in order to deliver justice for victims of gun violence in  
23 communities bearing the brunt of these tragedies.

24 *(r) In a report published in August 2023 by the American*  
25 *Academy of Pediatrics, researchers found that the increase in*  
26 *firearm purchasing during the pandemic increased the risk for*  
27 *pediatric firearm injury, resulting in a 41.6-percent increase in*  
28 *the firearm death rate for American children between 2018 and*  
29 *2021. During this period, racial disparities in gun deaths also*  
30 *significantly worsened. According to the report, communities of*  
31 *color bore the brunt of this burden, with Black children comprising*  
32 *nearly 50 percent of children killed by firearms. Unlike other age*  
33 *demographics in the United States, nearly two-thirds of youth gun*  
34 *deaths were attributable to homicide, while less than one-third*  
35 *are attributed to death by firearm suicide. State variability in*  
36 *access to preventative strategies like violence intervention, suicide*  
37 *prevention, and firearm safety programs all contribute to*  
38 *disparities in pediatric firearm death rates. With this legislation,*  
39 *California affirms its commitment to increasing access to these*



1 *vital preventative strategies, particularly in our state's most*  
2 *vulnerable communities.*

3 *(s) The Legislature hereby adopts this act for the purpose of*  
4 *reducing and preventing gun violence, including by addressing*  
5 *risk factors for gun violence, and promoting healing and recovery*  
6 *for victims of gun violence, particularly in communities that are*  
7 *disproportionately impacted by shootings and gun homicides.*

8 *SEC. 3. Section 26700 of the Penal Code is amended to read:*

9 26700. As used in this division, and in any other provision  
10 listed in Section 16580, "dealer," "licensee," or "person licensed  
11 pursuant to Sections 26700 to 26915, inclusive" means a person  
12 who satisfies all of the following requirements:

13 (a) Has a valid federal firearms license.

14 (b) Has any regulatory or business license, or licenses, required  
15 by local government.

16 (c) Has a valid seller's permit issued by the ~~State Board of~~  
17 ~~Equalization~~. *California Department of Tax and Fee Administration*  
18 *pursuant to Section 6067 of the Revenue and Taxation Code and,*  
19 *commencing July 1, 2024, has a valid certificate of registration*  
20 *issued pursuant to Section 36036 of the Revenue and Taxation*  
21 *Code.*

22 (d) Has a certificate of eligibility issued by the Department of  
23 Justice pursuant to Section 26710.

24 (e) Has a license issued in the format prescribed by subdivision  
25 (c) of Section 26705.

26 (f) Is among those recorded in the centralized list specified in  
27 Section 26715.

28 *SEC. 4. Section 26705 of the Penal Code is amended to read:*

29 26705. (a) The duly constituted licensing authority of a city,  
30 county, or a city and county shall accept applications for, and may  
31 grant licenses permitting, licensees to sell firearms at retail within  
32 the city, county, or city and county. The duly constituted licensing  
33 authority shall inform applicants who are denied licenses of the  
34 reasons for the denial in writing.

35 (b) No license shall be granted to any applicant who fails to  
36 provide a copy of the ~~applicant's valid federal firearms license,~~  
37 ~~valid seller's permit issued by the State Board of Equalization,~~  
38 ~~and the certificate of eligibility described in Section 26710.~~ *each*  
39 *of the following documents:*

40 (1) *A valid federal firearms license.*

1 (2) A valid seller's permit issued by the California Department  
2 of Tax and Fee Administration pursuant to Section 6067 of the  
3 Revenue and Taxation Code and, commencing July 1, 2024, a  
4 valid certificate of registration issued pursuant to Section 36036  
5 of the Revenue and Taxation Code.

6 (3) A certificate of eligibility issued by the Department of Justice  
7 pursuant to Section 26710.

8 (c) A license granted by the duly constituted licensing authority  
9 of any city, county, or city and county, shall be valid for not more  
10 than one year from the date of issuance and shall be in one of the  
11 following forms:

12 (1) In the form prescribed by the Attorney General.

13 (2) A regulatory or business license that states on its face "Valid  
14 for Retail Sales of Firearms" and is endorsed by the signature of  
15 the issuing authority.

16 (3) A letter from the duly constituted licensing authority having  
17 primary jurisdiction for the applicant's intended business location  
18 stating that the jurisdiction does not require any form of regulatory  
19 or business license or does not otherwise restrict or regulate the  
20 sale of firearms.

21 (d) Local licensing authorities may assess fees to recover their  
22 full costs of processing applications for licenses.

23 SEC. 5. Section 30395 of the Penal Code is amended to read:

24 30395. (a) The Department of Justice is authorized to issue  
25 ammunition vendor licenses to applicants who the department has  
26 determined, either as an individual or a responsible person, are not  
27 prohibited from possessing, receiving, owning, or purchasing  
28 ammunition under subdivision (a) of Section 30305 or federal law,  
29 and who provide a copy of ~~any regulatory or business license~~  
30 ~~required by local government, a valid seller's permit issued by the~~  
31 ~~State Board of Equalization, a federal firearms license if the person~~  
32 ~~is federally licensed, and a certificate of eligibility issued by the~~  
33 ~~department.~~ each of the following documents, as applicable:

34 (1) Any regulatory or business license required by local  
35 government.

36 (2) A valid seller's permit issued by the California Department  
37 of Tax and Fee Administration pursuant to Section 6067 of the  
38 Revenue and Taxation Code and, commencing July 1, 2024, a  
39 valid certificate of registration issued pursuant to Section 36036  
40 of the Revenue and Taxation Code.

1     (3) *A valid federal firearms license, if the person is so licensed.*

2     (4) *A certificate of eligibility issued by the Department of*  
3 *Justice.*

4     (b) The department shall keep a registry of all licensed  
5 ammunition vendors. Law enforcement agencies shall be provided  
6 access to the registry for law enforcement purposes.

7     (c) An ammunition vendor license is subject to forfeiture for a  
8 breach of any of the prohibitions and requirements of Article 2  
9 (commencing with Section 30300) or Article 3 (commencing with  
10 Section 30342).

11     SEC. 6. *Chapter 3 (commencing with Section 34400) is added*  
12 *to Division 12 of Title 4 of Part 6 of the Penal Code, to read:*

13  
14             *CHAPTER 3. FIREARM AND AMMUNITION EXCISE TAX*  
15             *CERTIFICATES OF REGISTRATION*  
16

17     34400. (a) *The department may revoke any ammunition vendor*  
18 *license or remove any firearms dealer or firearms manufacturer*  
19 *from any centralized list maintained by the department pursuant*  
20 *to Sections 26715, 28450, and 29060, upon notification from the*  
21 *California Department of Tax and Fee Administration that either*  
22 *of the following events has occurred:*

23         (1) *After providing notice and the opportunity for a hearing,*  
24 *the California Department of Tax and Fee Administration has*  
25 *revoked the licensee's certificate of registration, pursuant to*  
26 *Section 36037 of the Revenue and Taxation Code, for violating*  
27 *any of the provisions of Part 16 (commencing with Section 36001)*  
28 *of Division 2 of the Revenue and Taxation Code.*

29         (2) *After providing notice and the opportunity for a hearing,*  
30 *the California Department of Tax and Fee Administration has*  
31 *revoked or suspended the licensee's seller's permit, pursuant to*  
32 *Section 6070 of the Revenue and Taxation Code, for violating any*  
33 *of the provisions of Part 1 (commencing with Section 6001) of*  
34 *Division 2 of the Revenue and Taxation Code.*

35     (b) *The Department of Justice may reinstate an ammunition*  
36 *vendor license that has been revoked pursuant to subdivision (a),*  
37 *or reinstate on any centralized list maintained by the department*  
38 *pursuant to Sections 26715, 28450, and 29060, a firearms dealer*  
39 *or manufacturer that was removed from the centralized list*  
40 *pursuant to subdivision (a) if the California Department of Tax*

1 *and Fee Administration has reinstated the licensee's certificate of*  
2 *registration or the seller's permit, as applicable.*

3 *(c) The Department of Justice's authority under this section to*  
4 *revoke or reinstate an ammunition vendor license, or to remove*  
5 *or reinstate a firearms dealer or firearms manufacturer from a*  
6 *centralized list shall be in addition to the Department of Justice's*  
7 *authority to revoke or reinstate an ammunition vendor license or*  
8 *to remove or reinstate a firearms dealer or firearms manufacturer*  
9 *from a centralized list under any other statute or authority.*

10 *(d) The Department of Justice may prescribe, adopt, and enforce*  
11 *rules and regulations, including emergency regulations as*  
12 *necessary, relating to the administration and enforcement of this*  
13 *section.*

14 ~~SEC. 3.~~

15 *SEC. 7.* Part 16 (commencing with Section 36001) is added to  
16 Division 2 of the Revenue and Taxation Code, to read:

17  
18 PART 16. FIREARM, AMMUNITION, AND FIREARM  
19 PRECURSOR PART EXCISE TAX

20  
21 CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

22  
23 36001. For purposes of this part:

24 (a) The following terms shall have the same meaning as those  
25 terms are defined in Division 2 (commencing with Section 16100)  
26 of Title 1 of Part 6 of the Penal Code: "ammunition," "ammunition  
27 vendor," ~~"firearm," and "firearm precursor part," "handgun," "long~~  
28 ~~gun," and "rifle." part.~~

29 (b) "Department" means the California Department of Tax and  
30 Fee Administration.

31 (c) "Firearm" shall have the same meaning as that term is  
32 defined in subdivisions (a) and (b) of Section 16520 of the Penal  
33 Code.

34 (e)  
35 (d) "Firearms manufacturer" means any entity licensed to  
36 manufacture firearms pursuant to Chapter 44 (commencing with  
37 Section 921) of Title 18 of the United States Code that engages in  
38 any retail sale of a firearm or firearm precursor part to a consumer  
39 in California.

40 ~~(d)~~

1 (e) “Gross receipts” shall have the same meaning as that term  
2 is defined in Section 6012.

3 (e)

4 (f) “Law enforcement agency” means any department or agency  
5 of the state or of any county, city, or other political subdivision  
6 thereof that employs any peace officer who is authorized to carry  
7 a firearm while on duty, or any department or agency of the federal  
8 government or a federally recognized Indian tribe with jurisdiction  
9 that has tribal land in California that employs any police officer  
10 or criminal investigator authorized to carry a firearm while on  
11 duty.

12 (f)

13 (g) “Licensed firearms dealer” shall have the same meaning  
14 provided in Section 26700 of the Penal Code.

15 (g)

16 (h) “Peace officer” means any person described in Chapter 4.5  
17 (commencing with Section 830) of Title 3 of Part 2 of the Penal  
18 Code who is authorized to carry a firearm on duty, or any police  
19 officer or criminal investigator employed by the federal government  
20 or a federally recognized Indian tribe with jurisdiction that has  
21 tribal land in California, who is authorized to carry a firearm while  
22 on duty.

23 (h)

24 (i) “Retail sale” shall have the same meaning as that term is  
25 defined in Section 6007.

26 36005. (a) There is hereby established in the State Treasury  
27 the Gun Violence ~~Prevention, Healing, and Recovery~~ *Prevention*  
28 *and School Safety* Fund to receive moneys pursuant to Section  
29 36041.

30 (b) All moneys in the Gun Violence ~~Prevention, Healing, and~~  
31 ~~Recovery~~ *Prevention and School Safety* Fund, including interest  
32 or dividends earned by the fund, shall be distributed *annually* in  
33 accordance with the allocation formula provided in subdivision  
34 (c), provided that the dollar amounts specified in that subdivision  
35 shall be annually adjusted to account for changes in the California  
36 Consumer Price Index.

37 (c) Moneys in the Gun Violence ~~Prevention, Healing, and~~  
38 ~~Recovery~~ *Prevention and School Safety* Fund shall be annually  
39 allocated in the following order:

(1) The first seventy-five million dollars (\$75,000,000) available in the fund, or as much of that amount as is available, shall be continuously appropriated annually to the Board of State and Community Corrections, or other successor agency designated by law as the administering agency for the California Violence Intervention and Prevention (CalVIP) Grant Program, to fund CalVIP Grants and administration and evaluations of CalVIP-supported programs, in accordance with Title 10.2 (commencing with Section 14130) of Part 4 of the Penal Code.

(2) The next fifty million dollars (\$50,000,000) available in the fund, or as much of that amount as is available, if any, shall, upon appropriation by the Legislature, be annually allocated to the State Department of Education to ~~fund school mental health and behavioral services and school safety measures, and for physical security safety assessments.~~ *enhance school safety by addressing risk factors for gun violence affecting pupils in kindergarten through grade 12, through the funding of related measures, including, without limitation, the measures described in subparagraphs (A) to (D), inclusive. The department may utilize these funds to support both activities conducted directly by the department and those conducted through contracts with, or grants to, other entities.*

(A) *Physical security improvements.*

(B) *Physical safety assessments.*

(C) *School-based or school-linked mental health and behavioral services, including training for teachers and employees.*

(D) *Before school and after school programs for at-risk pupils, including programs offered by entities eligible to receive funding under the Bipartisan Safer Communities Act Stronger Connections Grant Program.*

(3) The next fifteen million dollars (\$15,000,000) available in the fund, or as much of that amount as is available, if any, shall, upon appropriation by the Legislature, be annually allocated to the Judicial Council to support a court-based firearm relinquishment grant program *to be administered in coordination with the Department of Justice* to ensure the ~~consistent~~ *prompt, consistent,* and safe removal of firearms *by the Department of Justice and local law enforcement agencies* from individuals who become prohibited from owning or possessing firearms and ammunition pursuant to a criminal conviction or other criminal or civil court

1 order, including, but not limited to, *criminal protective orders*,  
2 domestic violence restraining orders, gun violence restraining  
3 orders, civil harassment restraining orders, and workplace violence  
4 restraining orders. *The grant program shall be designed to reduce*  
5 *the number of people who are entered into or remain in the Armed*  
6 *Prohibited Persons System, including by supporting partnerships*  
7 *with courts and local law enforcement agencies.*

8 (4) The next fifteen million dollars (\$15,000,000) available in  
9 the fund, or as much of that amount as is available, if any, shall,  
10 upon appropriation by the Legislature, be annually allocated to the  
11 Department of Justice ~~for a justice for victims of gun violence~~  
12 ~~program~~ *to fund a victims of gun violence grant program. The*  
13 *purpose of this program is to support evidence-based activities to*  
14 *equitably improve investigations and clearance rates in firearm*  
15 *homicide and firearm assault investigations in communities*  
16 *disproportionately impacted by firearm homicides and firearm*  
17 ~~assaults~~ *assaults, and thereby help reduce gun violence in*  
18 *communities across California. Grants from this program shall*  
19 *be made on a competitive basis to state, local, or tribal law*  
20 *enforcement agencies and prosecuting offices for activities that*  
21 *have the specific objective of increasing clearance rates for firearm*  
22 *homicides and nonfatal shootings, which may include, without*  
23 *limitation, hiring and training detectives dedicated to investigating*  
24 *these offenses, hiring and training personnel or other partners to*  
25 *coordinate with victims and witnesses or to collect, process, and*  
26 *test relevant evidence, improving data analysis, forensics, and*  
27 *technological capacities, and promoting recurring and*  
28 *trauma-informed engagement with victims, witnesses, and other*  
29 *impacted community members in a manner that builds trust, safety,*  
30 *and collaboration.*

31 (5) The next two million five hundred thousand dollars  
32 (\$2,500,000) available in the fund per year, or as much of that  
33 amount as is available, if any, shall, upon appropriation by the  
34 Legislature, be annually allocated to the Department of Justice to  
35 support activities to inform firearm and ammunition purchasers  
36 and firearm owners about gun safety laws and responsibilities,  
37 such as safe firearm storage, and to promote implementation and  
38 coordination of gun violence prevention efforts through activities  
39 such as technical assistance, training, capacity building, and local  
40 gun violence data and problem analysis support for local

1 governments, law enforcement agencies, community-based service  
2 providers, and other stakeholders. *The department may utilize these*  
3 *funds to support activities conducted directly by the department*  
4 *or conducted through contracts with, or grants to, other entities.*

5 (6) The next two million five hundred thousand dollars  
6 (\$2,500,000) available in the fund, or as much of that amount as  
7 is available, if any, shall, upon appropriation by the Legislature,  
8 be annually allocated to the Office of Emergency Services to  
9 provide counseling and trauma-informed support services to direct  
10 and secondary victims of mass shootings and other gun homicides  
11 and to individuals who have experienced chronic exposure to  
12 community gun violence. *The office may utilize these funds to*  
13 *support activities directly conducted by the office, or conducted*  
14 *through contracts with, or grants to, other entities, and to help*  
15 *reduce gun violence in communities across California.*

16 (7) The next one million dollars (\$1,000,000) available in the  
17 fund, or as much of that amount as is available, if any, shall, upon  
18 appropriation by the Legislature, be allocated to the University of  
19 California, Davis, California Firearm Violence Research Center,  
20 if those funds are accepted by the Regents of the University of  
21 California, for a one-time grant for gun violence research and  
22 initiatives to educate health care providers and other stakeholders  
23 about clinical tools and other interventions for preventing firearm  
24 suicide and injury. This allocation may, if sufficient funds are not  
25 available, be made over the course of more than one budget year;  
26 however, the total amount allocated pursuant to this paragraph  
27 across all years shall not exceed one million dollars (\$1,000,000).

28 (d) Any remaining moneys available in the fund each year after  
29 the allocations described in subdivision (c) shall, upon  
30 appropriation by the Legislature, be allocated to fund and support  
31 activities and programs focused on preventing gun violence,  
32 supporting victims of gun violence, and otherwise remediating the  
33 harmful effects of gun violence.

34 (e) *Except as otherwise provided herein or in any other*  
35 *provision of law, a department or agency may reserve up to 5*  
36 *percent of the funds appropriated to that department or agency*  
37 *under subdivision (c) for the costs of administering and promoting*  
38 *the effectiveness of programs supported by this act, including,*  
39 *without limitation, costs to employ personnel, develop and review*  
40 *grant solicitations, publicize grant opportunities, engage with and*



1 *provide technical assistance to prospective grant applicants and*  
2 *grantees, and conduct or support data collection or research*  
3 *evaluations.*

4  
5 CHAPTER 2. IMPOSITION AND RATE OF TAX  
6

7 36011. Commencing July 1, 2024, an excise tax is hereby  
8 imposed upon licensed firearms dealers, firearms manufacturers,  
9 and ammunition vendors, at the rate of 11 percent of the gross  
10 receipts from the retail sale in this state of any firearm, firearm  
11 precursor part, or ammunition.  
12

13 CHAPTER 3. EXEMPTIONS  
14

15 36021. (a) There are exempted from the tax imposed by this  
16 part, the gross receipts from the retail sale of any firearm, firearm  
17 precursor part, or ammunition to any active or retired peace officer  
18 or any law enforcement agency employing that peace officer.

19 (b) There are exempted from the tax imposed by this part, the  
20 gross receipts from the retail sale of any firearm, firearm precursor  
21 part, or ammunition by any licensed firearms dealer, firearms  
22 manufacturer, or ammunition vendor in any quarterly period in  
23 which the total gross receipts from the retail sales of firearms,  
24 firearm precursor parts, or ammunition by that licensed firearms  
25 dealer, firearms manufacturer, or ammunition vendor is less than  
26 five thousand dollars (\$5,000).  
27

28 CHAPTER 4. COLLECTION AND ADMINISTRATION  
29

30 36031. (a) The department shall administer and collect the  
31 taxes imposed by this part pursuant to the Fee Collection  
32 Procedures Law (Part 30 (commencing with Section 55001)). For  
33 purposes of this part, the references in the Fee Collection  
34 Procedures Law to “fee” shall include the taxes imposed by this  
35 part, and references to “feepayer” shall mean any person liable for  
36 the payment of the taxes imposed under this part and collected  
37 pursuant to that law.

38 (b) The department may prescribe, adopt, and enforce rules and  
39 regulations, including emergency regulations as necessary, relating

1 to the administration and enforcement of this part, including, but  
2 not limited to, collections, reporting, refunds, and appeals.

3 36032. The taxes imposed by this part are due and payable to  
4 the department quarterly on or before the last day of the month  
5 next succeeding each quarterly period of three months.

6 36033. On or before the last day of the month following each  
7 quarterly period, a return for the preceding quarterly period shall  
8 be filed with the department using electronic media. Returns shall  
9 be authenticated in a form or pursuant to methods as may be  
10 prescribed by the department.

11 36034. (a) *By no later than March 31, 2024, and thereafter,*  
12 *by no later than the last day of each calendar quarter, the*  
13 *Department of Justice (DOJ) shall provide a list, including the*  
14 *names and business locations of all firearm dealers, firearm*  
15 *manufacturers, and ammunition vendors that are licensed by the*  
16 *DOJ or that are included on any of the centralized lists maintained*  
17 *by the DOJ pursuant to Sections 26715, 28450, and 29060 of the*  
18 *Penal Code, to the California Department of Tax and Fee*  
19 *Administration (CDTFA) for the purposes of administering the*  
20 *excise tax imposed pursuant to this part. The DOJ shall also be*  
21 *authorized to provide this information to the CDTFA, upon its*  
22 *request, for the purposes of administering the excise tax imposed*  
23 *pursuant to this part.*

24 (b) *The authority of the DOJ to share the information described*  
25 *in subdivision (a) with the CDTFA shall be in addition to, and*  
26 *notwithstanding any other limitations on, the authority of the DOJ*  
27 *to share that information under any other statute.*

28 36035. Each licensed firearms dealer, firearms manufacturer,  
29 or ammunition vendor subject to the ~~provisions of this excise tax~~  
30 *imposed pursuant to this part shall register for a permit certificate*  
31 *of registration* with the department using electronic media in a  
32 form prescribed by the department and shall set forth the name  
33 under which the applicant transacts or intends to transact business,  
34 the location of their place or places of business, and any other  
35 information as the department may require. An application for a  
36 ~~permit certificate of registration~~ shall be authenticated in a form  
37 or pursuant to methods as may be prescribed by the department.  
38 *No fee shall be charged for the application for, or issuance of, the*  
39 *certificate of registration.*

1 36036. The department shall issue a ~~permit~~ *certificate of*  
2 *registration* to each eligible applicant that has properly registered  
3 pursuant to Section 36035. A ~~permit~~ *certificate of registration*  
4 issued pursuant to this section shall be valid until canceled or  
5 revoked.

6 36037. If ~~a permit holder~~ *the holder of a certificate of*  
7 *registration* fails to comply with any provision of this part or any  
8 rule or regulation of the department prescribed and adopted under  
9 this part, the department shall provide notice in writing to the  
10 ~~permit holder of no less than 10 days~~ *holder of the certificate of*  
11 *registration* specifying the time and place of hearing and requiring  
12 ~~the permit holder~~ *certificate holder* to show cause why their ~~permit~~  
13 *certificate* should not be revoked. The notice *shall be provided no*  
14 *less than 10 days before the hearing and* may be served personally  
15 or by mail in the manner prescribed for service of notice of a  
16 deficiency determination. The department may, after notice and  
17 hearing, revoke a ~~permit~~ *certificate of registration* for any such  
18 violation or ~~omission~~. *omission, and notify the Department of*  
19 *Justice of the revocation.*

20 36038. ~~Commencing on July 1, 2024, it is unlawful for any~~  
21 ~~person who has not registered for a permit or whose permit has~~  
22 ~~been canceled or revoked to operate as a firearm dealer, firearm~~  
23 ~~manufacturer, or ammunition vendor in this state until they have~~  
24 ~~fully complied with the provisions of this part and have been issued~~  
25 ~~a new permit or their permit has been reinstated.~~

26 36038. *The department shall notify the Department of Justice*  
27 *in the case of any of the following occurrences:*

28 (a) *If, after providing notice and the opportunity for a hearing,*  
29 *the department has, pursuant to Section 36037, revoked the*  
30 *certificate of registration of a licensed firearms dealer, ammunition*  
31 *vendor, or firearms manufacturer for violating any provision of*  
32 *this part.*

33 (b) *If, after providing notice and the opportunity for a hearing,*  
34 *the department has, pursuant to Section 6070, revoked or*  
35 *suspended the seller's permit of a licensed firearms dealer,*  
36 *ammunition vendor, or firearms manufacturer for violating any*  
37 *provision of Part 1 (commencing with Section 6001).*

38 (c) *If the department has reinstated a certificate of registration*  
39 *or a seller's permit of a licensed firearms dealer, ammunition*  
40 *vendor, or firearms manufacturer.*

1 36039. (a) ~~A permit holder~~ *The holder of a certificate of*  
2 *registration* that has had their ~~permit certificate~~ *permit certificate* revoked pursuant  
3 to Section 36037 may petition the department for reinstatement of  
4 the ~~permit certificate~~ by paying the amount of unpaid excise tax  
5 determined, together with any interest and penalties, demonstrating  
6 full compliance with the provisions of this part, and paying a fee  
7 of fifty dollars (\$50) to the department for reinstatement.

8 (b) The department shall reinstate the ~~permit certificate of~~  
9 *registration of any revoked permit holder certificate holder* that  
10 has satisfactorily complied with subdivision (a).

11 (c) The fee described in subdivision (a) shall not be subject to  
12 refund except as provided in Section 55221.

13  
14 CHAPTER 5. DISPOSITION OF PROCEEDS  
15

16 36041. All amounts required to be paid pursuant to Section  
17 36011 shall be paid to the department in the form of remittances  
18 payable to the department, and those revenues, net of refunds, and  
19 costs of administration, shall be deposited in the Gun Violence  
20 ~~Prevention, Healing, and Recovery~~ *Prevention and School Safety*  
21 Fund, established pursuant to Section 36005.

22  
23 CHAPTER 6. NONPREEMPTION  
24

25 36042. This part shall not be construed to preclude or preempt  
26 a local ordinance that imposes any additional requirements, fee,  
27 or surtax on the sale of firearms, ammunition, or firearm precursor  
28 parts. The tax imposed by this part shall be in addition to any other  
29 tax or fee imposed by the state, or a city, county, or city and county.  
30

31 CHAPTER 7. AUTHORITY TO ENACT EMERGENCY REGULATIONS  
32

33 36043. If any provision of this act or its application is held  
34 invalid, the department shall be authorized to issue guidance or  
35 adopt regulations necessary to address any such invalidity and to  
36 promote the purposes of this act, including, but not limited to,  
37 guidance or regulations to modify or provide additional exemptions  
38 from the tax imposed by this act. Such guidance or regulations are  
39 exempt from the Administrative Procedure Act (Chapter 3.5  
40 (commencing with Section 11340) of Part 1 of Division 3 of Title

1 2 of the Government Code) and shall seek to ensure minimal  
2 disruption to funding and operations of programs and initiatives  
3 supported by the Gun Violence Prevention, Healing, and Recovery  
4 *Prevention and School Safety* Fund.

5 ~~SEC. 4.~~

6 SEC. 8. If any section, subsection, sentence, or clause of this  
7 act is for any reason declared unconstitutional, invalid, or  
8 unenforceable by any court of competent jurisdiction, such decision  
9 shall not affect the constitutionality, validity, or enforceability of  
10 the remaining portions of this act or any part thereof. The  
11 Legislature hereby declares that it would have adopted this act  
12 notwithstanding the unconstitutionality, invalidity, or  
13 unenforceability of any one or more of its sections, subsections,  
14 sentences, or clauses.

15 ~~SEC. 5.~~

16 SEC. 9. No reimbursement is required by this act pursuant to  
17 Section 6 of Article XIII B of the California Constitution because  
18 the only costs that may be incurred by a local agency or school  
19 district will be incurred because this act creates a new crime or  
20 infraction, eliminates a crime or infraction, or changes the penalty  
21 for a crime or infraction, within the meaning of Section 17556 of  
22 the Government Code, or changes the definition of a crime within  
23 the meaning of Section 6 of Article XIII B of the California  
24 Constitution.

25 ~~SEC. 6.~~

26 SEC. 10. (a) The Director of Finance shall transfer, as a loan,  
27 two million four hundred thousand dollars (\$2,400,000) from the  
28 General Fund to the California Department of Tax and Fee  
29 Administration to implement Part 16 (commencing with Section  
30 36001) of Division 2 of the Revenue and Taxation Code.

31 (b) Any loan made pursuant to this section shall be repaid with  
32 taxes collected pursuant to Section 36011 of the Revenue and  
33 Taxation Code and prior to making any expenditures or  
34 appropriations pursuant to Section 36005 of the Revenue and  
35 Taxation Code.