

1 ROB BONTA
Attorney General of California
2 ANNA FERRARI
Supervising Deputy Attorney General
3 State Bar No. 261579
ASHA ALBUQUERQUE
4 Deputy Attorney General
State Bar No. 332901
5 455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004
6 Telephone: (415) 510-3625
Fax: (415) 703-5480
7 E-mail: Asha.Albuquerque@doj.ca.gov
*Attorneys for Defendants California Department of
8 Tax and Fee Administration; Trista Gonzalez, in her
official capacity as Director of the California
9 Department of Tax and Fee Administration*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SACRAMENTO

12
13
14
15 **POWAY WEAPONS & GEAR, INC. and
SGR VENTURES LLC (D/B/A
16 SACRAMENTO GUN RANGE),**

17 Plaintiffs,

18 v.

19 **CALIFORNIA DEPARTMENT OF TAX
20 AND FEE ADMINISTRATION; TRISTA
GONZALEZ, in her official capacity as
21 Director of the California Department of
Tax and Fee Administration,**

22 Defendants.
23

**Exempt from Filing Fees per Government
Code § 6103**

Case No. 25CV018964

**REQUEST FOR JUDICIAL NOTICE IN
SUPPORT OF DEFENDANTS'
DEMURRER TO COMPLAINT**

Date: July 20, 2026

Time: 9:00 a.m.

Dept: 54

Judge: The Honorable Christopher E.
Krueger

Reservation ID: 938375010708

Trial Date: None

Action Filed: August 11, 2025

1 Defendants California Department of Tax and Fee Administration and Trista Gonzalez, in
2 her official capacity as the Director of the California Department of Tax and Fee Administration,
3 respectfully requests that this Court take judicial notice pursuant to Evidence Code sections 452,
4 subdivision (c), and 453 of true and correct copies of the following documents attached to this
5 request:

- 6 1. **Exhibit 1:** California Department of Tax and Fee Administration, “*Tax Guide for*
7 *Sellers of Firearm and Ammunition Products*” <[https://cdtfa.ca.gov/industry/sellers-](https://cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/industry-topics.htm)
8 [of-firearm-and-ammunition-products/industry-topics.htm](https://cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/industry-topics.htm)> [as of Oct. 27, 2025.]
- 9 2. **Exhibit 2:** Stats. 2023, ch. 231,
10 <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2
11 [8](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2)> [as of Oct. 27, 2025.]

12
13 “Judicial notice is the recognition and acceptance by the court, for use by the trier of fact
14 or by the court, of the existence of a matter of law or fact that is relevant to an issue in the action
15 without requiring formal proof of the matter.” (*Lockley v. Law Office of Cantrell, Green, Pekich,*
16 *Cruz & McCort* (2001) 91 Cal.App.4th 875, 882.) Official acts of legislative, executive, and
17 judicial departments of the State of California are properly noticed. (Evid. Code, § 452, subd. (c).)
18 Legislative history materials are judicially noticeable under Evidence Code section 452,
19 subdivision (c), as official legislative acts. (See *Kaufman & Broad Communities, Inc. v.*
20 *Performance Plastering, Inc.* (2005) 133 Cal.App.4th 26, 31.) The court shall take judicial notice
21 of any matter specified in section 452 if a party requests it, gives each adverse party sufficient
22 notice of the request, and furnishes the court with sufficient information to enable it to take
23 judicial notice of the matter. (Evid. Code, § 453.)

24 Government agency websites and the information on those websites are proper subjects of
25 judicial notice. (*Cruz v. County of L.A.* (1985) 173 Cal.App.3d 1131, 1134.) A computer printout
26 from such a web site is self-authenticating. (Evid. Code, § 1552, subd. (a); *Ampex v. Cargle*
27 (2005) 128 Cal.App.4th 1569, 1573 fn. 2.)
28

1 Here, exhibit one is a government record found on the California Department of Tax and
2 Fee Administration’s website. Exhibit two constitutes an official act of the legislative department
3 of California because it is a publication produced and issued by the California Legislature. (See
4 *St. John’s Well Child & Family Center v. Schwarzenegger* (2010) 50 Cal.4th 960, 967 fn. 5
5 [taking judicial notice of “various materials relating to the passage of the 2009 Budget Act,
6 Assembly Bill 4X 1, and the revised 2009 Budget Act”].) Exhibits one and two are available on
7 government websites, are relevant to this proceeding and do not require formal proof regarding
8 the facts stated within the documents. The information contained in these exhibits is not
9 reasonably subject to dispute and is capable of immediate and accurate determination by resort to
10 resources of reasonably indisputable accuracy. Defendants’ request for judicial notice should be
11 granted.

12 Finally, Plaintiffs have been notified of this request through service of this document (and
13 the attached exhibits), and the attached exhibits one and two provide the Court with the sufficient
14 information to consider this request. Accordingly, these materials are the proper subject of
15 judicial notice, relevant to the issues presented in this case, and should be judicially noticed by
16 the Court in ruling upon Defendants’ demurrer.

17 Based on the foregoing, Defendants requests that the Court judicially notice the attached
18 exhibits in support of Defendants’ demurrer.

1 Dated: October 27, 2025

Respectfully submitted,

2

ROB BONTA
Attorney General of California

3

ANNA FERRARI
Supervising Deputy Attorney General

4

5

6

/s/ Asha Albuquerque
ASHA ALBUQUERQUE
Deputy Attorney General
*Attorneys for Respondent
Governor Gavin Newsom*

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

EXHIBIT 1

[Home \(cdtfa.ca.gov/\)](#) / [industry \(cdtfa.ca.gov/industry/\)](#) / [sellers of firearm and ammunition products \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/\)](#) / industry topics

Tax Guide for Sellers of Firearm and Ammunition Products

Industry Topics

[Overview \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/\)](#)

[Getting Started \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/getting-started.htm\)](#)

[Frequently Asked Questions \(FAQs\) \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/frequently-asked-questions.htm\)](#)

[Industry Topics \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/industry-topics.htm\)](#)

[Resources \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/resources.htm\)](#)

[< Industry Guides \(cdtfa.ca.gov/industry/\)](#)

On this page

- > [The California Firearm, Firearm Precursor Part, and Ammunition Excise Tax](#)
(#Ammunition-Excise-Tax)
- > [Sales Tax in General](#) (#Sales-Tax-in-General)
- > [Sales for Resale and General Exemptions](#)
(#General-Exemptions)
- > [Delivering and Registering Firearms or Ammunition for Out-of-State Retailers](#)
(#Out-of-State-Retailers)
- > [Registering a Firearm from a California Private Party Seller](#) (#Private-Party-Seller)
- > [Gun Clubs, Memberships, and Giveaways](#)
(#Gun-Clubs)
- > [Out-of-State Sellers](#) (#Out-of-State-Sellers)

The California Firearm, Firearm Precursor Part, and Ammunition Excise Tax

The California Firearm, Firearm Precursor Part, and Ammunition Excise Tax (CFET) is imposed on the gross receipts of retail sales (for example, sales to consumers) in California of any firearm, firearm precursor part, or ammunition (firearm products) made by licensed firearms dealers, firearms manufacturers, and ammunition vendors

at the rate of 11 percent ([RTC section 36011](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36011) (https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36011)).

CFET Gross Receipts

For the purposes of the CFET, [gross receipts](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=6012) (https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=6012) include the sales price of the firearm, firearm precursor part, or ammunition and all charges related to the sale, such as any discretionary business expense separately added to any taxable sale listed separately on the invoice or receipt provided to the purchaser.

Examples of discretionary business expenses include, but are not limited to:

- Merchant credit card fee
- Handling fees
- Transfer fees
- Fabrication labor charges

State fees collected at the time of retail sale that are paid by the purchaser and that are listed separately on the invoice or receipt provided to the purchaser are not subject to the CFET and should be excluded when calculating the CFET.

Examples of state fees include, but are not limited to:

- Dealer Record of Sale (DROS) fee
- Firearms Safety fee
- Safety and Enforcement fee

Also, sales and use tax separately stated on the invoice or receipt should not be included in the gross receipts for

CFET.

Sales Tax in General

Your retail sales of firearms, firearm precursor parts, ammunition products, and any other tangible personal property you sell in California are generally subject to sales tax, unless the law provides a specific exemption. Your sales and use tax gross receipts should not include any CFET reimbursement amount.

In addition to the sales price of the item being sold, you must also include in your gross receipts subject to sales tax any business expense separately added to any taxable sale.

Examples of business expenses include, but are not limited to:

- Merchant credit card processing fee
- Handling fees
- Transfer fees
- Fabrication labor charges

The sales tax rate is made up of different components: a state tax rate, the local tax rate, and any district tax rate in effect. The tax rate varies across the state and will generally depend on your business's location. You may look up the current sales and use tax rate by visiting our [Find a Sales and Use Tax Rate \(https://maps.cdtfa.ca.gov/\)](https://maps.cdtfa.ca.gov/) webpage.

Tax Calculation Example

Example scenario: A customer goes into a sporting goods store and purchases a hunting rifle and pays with a credit card.

Tax calculation example

Selling price of firearm	\$500.00
Merchant credit card fee	\$10.00
Firearms Safety fee	\$1.00
Safety and Enforcement fee	\$5.00
DROS fee	\$31.19
<hr/>	
Total sale amount	\$547.19
CFET gross receipts (\$500 + \$10)	\$510.00
CFET due (11% × \$510)	\$56.10
Sales tax gross receipts (\$500 + \$10)	\$510.00
Sales tax due (<u>8.5%</u> * × \$510)	\$43.35

* A 8.5% sales and use tax rate is used for demonstration only.

Tax Reimbursement

As a retailer, you owe the sales tax and the CFET on your taxable sales, and you must report and pay the sales tax and the CFET to us. Retailers may collect sales tax reimbursement from their customers, but doing so is not mandatory. Similarly, a retailer may optionally collect CFET reimbursement from their customers.

If sales tax is included in the sales price, you must post a sign notifying your customers that the sales tax is included in the sales price. If signage is not posted on the premises in a place that is visible to the customer, then the sales tax you charge your customer must be based on the sales price and added to the receipt.

If CFET reimbursement is collected on retail sales that are exempt from the CFET, the excess CFET reimbursement

collected must be returned to the purchaser or it must be reported and paid to us.

Sales for Resale and General Exemptions

Sales for Resale

A firearm, firearm precursor part, or ammunition sale for resale is not subject to sales and use tax nor the CFET. As a firearms dealer or ammunition vendor, you are required to provide a [resale certificate \(cdtfa.ca.gov/formspubs/cdtfa230.pdf\)](https://cdtfa.ca.gov/formspubs/cdtfa230.pdf) to your vendor or obtain a resale certificate from your customer as prescribed in [*Regulation 1668, Resale Certificates \(cdtfa.ca.gov/lawguides/vol1/sutr/1668.html\)*](https://cdtfa.ca.gov/lawguides/vol1/sutr/1668.html). To help you meet these sales for resale requirements, you may use a [*CDTFA-230, Resale Certificate \(cdtfa.ca.gov/formspubs/cdtfa230.pdf\)*](https://cdtfa.ca.gov/formspubs/cdtfa230.pdf), available on our website.

However, you should be aware that a Federal Firearms License (FFL) does not qualify as a resale or exemption certificate even though this license combined with a copy of a seller's permit may contain some of the essential elements specified of a resale certificate. You should keep resale or exemption certificates in your records for at least four years. For more information, see [publication 103, Sales for Resale \(cdtfa.ca.gov/formspubs/pub103/\)](https://cdtfa.ca.gov/formspubs/pub103/).

General Exemptions

Sales to the U.S. government are generally exempt from sales and use tax and are not subject to the CFET. For more information regarding sales to the U.S. government see

[Regulation 1614 \(cdtfa.ca.gov/lawguides/vol1/sutr/1614.html\)](https://cdtfa.ca.gov/lawguides/vol1/sutr/1614.html),
Sales to the United States and Its Instrumentalities.

Sales made in interstate or foreign commerce are generally exempt from sales and use tax and are not subject to the CFET.

CFET Exemptions

Retail sales of firearms, firearm precursor parts, or ammunition are exempt from the CFET when either:

- The sale is to any active or retired peace officer (https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36001.) or any law enforcement agency (https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36001.) employing that peace officer [RTC section 36021(a) (https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36021.)], or
- In any quarterly period, the total gross receipts from those retail sales are less than five thousand dollars (\$5,000) [RTC section 36021(b) (https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=36021.)].

Even if your sales are exempt from the CFET, they may still be subject to sales and use tax. Additionally, even if all your retail sales of firearm products are exempt from the CFET, you are still required to file a CFET return each quarter.

You may use [CDTFA-230-FET, California Firearm and Ammunition Excise Tax Exemption Certificate for Peace Officers and Law Enforcement Agencies](#)

(cdtfa.ca.gov/formspubs/cdtfa230fet.pdf) to help with your CFET exempt sales recordkeeping.

For more information about exemptions and exclusions that may apply, see [publication 101, *Sales Delivered Outside of California*](https://cdtfa.ca.gov/formspubs/pub101/) (cdtfa.ca.gov/formspubs/pub101/) and [publication 102, *Sales to the United States Government*](https://cdtfa.ca.gov/formspubs/pub102/) (cdtfa.ca.gov/formspubs/pub102/).

Delivering and Registering Firearms or Ammunition for Out-of-State Retailers

The California Penal Code requires that firearm product sales from out-of-state FFL retailers be made through a licensed California Firearms Dealer (CFD). The out-of-state retailer will ship the firearm product to the CFD to log it into their Federal Acquisition/Disposition books as applicable, complete the DOJ [DOJ DROS](https://oag.ca.gov/firearms/dlrfaqs#dros) (<https://oag.ca.gov/firearms/dlrfaqs#dros>) process, and deliver the firearm product to the California purchaser following any required waiting periods.

For CFET purposes, the CFD is presumed to be the retailer and is responsible for the applicable CFET when the CFD:

- Completes the registration and transfer paperwork, and
- Delivers a firearm product to a California purchaser on behalf of either an out-of-state private party or any out-of-state FFL retailer.

For sales and use tax purposes, the CFD is presumed to be the retailer and generally owes the sales and use tax when the CFD:

- Completes the registration and transfer paperwork, and
- Delivers a firearm product to a California purchaser on behalf of an out-of-state private party or an out-of-state FFL retailer that is not engaged in business in this state.

Out-of-state retailers engaged in business in California remain responsible for reporting and paying the California use tax on the sale of a firearm product.

The sales tax and the CFET are calculated on the total amount of the sales price including any optional service charge, delivery, or handling fees but excluding any fees imposed by the state, such as the DROS fee, Firearms Safety fee, and Safety and Enforcement fee, paid by purchasers. As a CFD, you should obtain a copy of the sales contract or invoice from the out-of-state seller or the purchaser to determine the proper amount of taxes due on the sale.

Registering a Firearm from a California Private Party Seller

When a California private party seller brings a firearm to a CFD and asks that they find a buyer, the CFD is considered the consignee and retailer of the firearm and is liable for the sales tax and the CFET on the later sale of the firearm.

However, the CFD is not considered the firearm retailer and is not responsible for the sales and use tax or the CFET when all the following conditions are met:

- The CFD completes the registration paperwork for a California private party who is selling a firearm to a

California purchaser,

- The seller and purchaser have negotiated the terms of sale in advance,
- The seller brings the firearm to the CFD to meet the statutory requirements for the documentation and registration, and
- The CFD does not take title of the firearm at any time during the transaction.

In this case, the private party seller would owe the sales tax unless the transaction qualifies for an exemption. For example, a firearm sale between California private parties may be exempt from sales tax if the sale qualifies as an exempt occasional sale per [Regulation 1595, Occasional Sales–Sale of a Business–Business Reorganization](https://cdtfa.ca.gov/lawguides/vol1/sutr/1595.html) (cdtfa.ca.gov/lawguides/vol1/sutr/1595.html).

Gun Clubs, Memberships, and Giveaways

If you operate a gun club or shooting range that provides ammunition and other materials (such as clay pigeons, blue rocks, or targets) with your trapshooting or similar activities for a single lump sum price, you are the consumer of the ammunition and other materials. As a consumer, you should not issue a resale certificate to your vendor when you purchase these items. For sales and use tax purposes, your vendor may charge you sales tax reimbursement for the retail sale of these items. If the vendor does not charge you sales tax reimbursement, you owe use tax on these items. Additionally, the vendor's retail sale of ammunition to you is subject to the CFET.

If you operate a gun club or shooting range and sell ammunition, firearms, food, or other property to your members for a separate price, you are the retailer of those items. Those retail sales are subject to sales tax, and your retail sales of firearm products are subject to the CFET. You may purchase these items without sales tax by issuing your vendor a resale certificate. See the [Sales for Resale \(cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/industry-topics.htm#General-Exemptions\)](https://cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/industry-topics.htm#General-Exemptions) section above.

If you operate a gun club or shooting range that rents firearms, you owe the sales and use tax and the CFET on the firearm rentals. Firearm rentals are generally considered a continuing sale (retail sale), and the rental receipts are generally subject to sales and use tax and the CFET. For more information on rentals, see our [Tax Guide for Rental Companies \(cdtfa.ca.gov/industry/rental-companies/\)](https://cdtfa.ca.gov/industry/rental-companies/). Firearm rental receipts of less than \$20 per day for use only on the lessor's premises are not subject to sales and use tax or the CFET.

Membership fees and dues paid by members solely for the use of the facilities of a gun club or shooting range are generally not subject to sales and use tax or the CFET. However, when a gun club or shooting range provides tangible personal property with the purchase of a membership, such as a “free” shotgun or rifle to entice a customer to join, then the gun club or shooting range is the retailer of that property and owes sales tax on the fair retail selling price.

Additionally, your membership fees related to the anticipated retail sale of tangible personal property are subject to sales and use tax if you sell property only to members and the membership fee exceeds \$70 per year.

Such membership fees are also subject to sales and use tax if you sell property for less to paid members than to someone who has not paid the membership fee (regardless of the cost of membership).

Out-of-State Sellers

If you are an out-of-state FFL dealer and a retailer engaged in business in California, you may be required to register with us for a seller's permit. Out-of-state retailers are not required to register with us for a CFET certificate of registration. A retailer “engaged in business in this state” specifically includes, but is not limited to, any of the following:

- Any retailer maintaining, occupying, or using (permanently or temporarily, directly, indirectly, or through a subsidiary or agent, by whatever name called) an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business in California.
- Any retailer having any representative, agent, salesperson, canvasser, independent contractor, or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering, installing, assembling, or taking of orders for any tangible personal property.
- Any retailer earning rental income from a lease of tangible personal property situated in California.
- Any retailer that owns or leases real property or personal property (such as machinery and equipment, furniture, or computer servers) in California.

- Any retailer that has total combined sales of tangible personal property for delivery in California by the retailer and all people related to the retailer that exceeded five hundred thousand dollars (\$500,000) in the preceding or current calendar year. For information, see [Use Tax Collection Requirements Based on Sales into California Due to the Wayfair Decision](#) (cdtfa.ca.gov/industry/wayfair/).

If you are an out-of-state FFL seller and your only presence in California is for conventions or trade shows, you are not considered to be engaged in business in California if:

- Your presence in this state is for 15 days or fewer during any 12-month period, and
- You earned \$100,000 or less of net income from those convention or trade shows during the prior calendar year.

However, if you intend to sell merchandise at a trade show or convention, you must register with us for a temporary seller's permit. You must also collect and pay the sales tax on taxable sales made during the event even though you are not required to hold a regular seller's permit. If you sell items at events held on state-designated fairgrounds, you must separately report these sales when filing your sales and use tax return.

For more information, see our [Tax Guide for Out-of-State Retailers](#) (cdtfa.ca.gov/industry/out-of-state-retailers/).

EXHIBIT 2

[Home](#)[Bill Information](#)[California Law](#)[Publications](#)[Other Resources](#)[My Subscriptions](#)[My Favorites](#)

AB-28 Firearms and ammunition: excise tax. (2023-2024)

SHARE THIS:  

Date Published: 09/26/2023 09:00 PM

Assembly Bill No. 28

CHAPTER 231

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.

[Approved by Governor September 26, 2023. Filed with Secretary of State September 26, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 28, 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 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 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 certificate, 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: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known, and may be cited, as the Gun Violence Prevention and School Safety Act.

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

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

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

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

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

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

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

(g) The firearm industry has also enjoyed record growth and profits for years. A 2020 Economic Impact Report by the firearm industry trade association, the National Shooting Sports Foundation (NSSF), noted that "the

economic growth that America's firearm and ammunition industry has experienced in recent years has been nothing short of remarkable." A 2022 NSSF Economic Impact Report said the same thing, and documented a 269-percent increase in the firearm and ammunition industry's estimated economic impact from 2008 to 2021 and an 11-percent increase from 2020 to 2021 alone.

(h) There has also been an unprecedented spike in shootings and gun homicides across the United States and California. According to CDC data from 2011 to 2021, the nationwide firearm homicide rate increased 85 percent.

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

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

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

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

(m) This act would similarly provide dedicated revenue to sustain and expand effective gun violence prevention, healing, and recovery programs for families and communities across California, particularly in communities most disproportionately impacted by gun violence.

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

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

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

(q) The revenue from this act would provide sustained, dedicated investments in programs that are effective at addressing and remediating harms caused by firearm and ammunition industry products, including investments in: (1) community gun violence intervention and prevention initiatives that help address risk factors for violent behavior, protect and heal victims, interrupt cycles of shootings, trauma, and retaliation among those at highest risk, and address racial inequality in access to safety for communities of color; (2) gun violence research that helps stakeholders identify leading causes and evidence-based responses to gun violence; (3) initiatives that

train health care providers about effective clinical tools for preventing firearm suicide and injury; (4) crime victim services, including mental health services, for victims of mass shootings and other gun homicides, and individuals chronically exposed to gun violence in their community, including students in school districts disproportionately impacted by gun violence in the school or broader community; (5) coordinated efforts to ensure firearm and ammunition purchasers are adequately informed about how to comply with California's gun safety laws and responsibilities associated with safe use and possession of firearms, including child access prevention, and to promote effective and equitable implementation of California's gun safety laws and programs; (6) programs that promote victims' and public safety by ensuring the prompt, safe, and consistent removal of firearms and ammunition from people who become prohibited from possessing them, such as after a gun violence or domestic violence restraining order; and (7) evidence-based activities to effectively and equitably support gun homicide and shooting investigations in order to deliver justice for victims of gun violence in communities bearing the brunt of these tragedies.

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

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

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

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

- (a) Has a valid federal firearms license.
- (b) Has any regulatory or business license, or licenses, required by local government.
- (c) Has a valid seller's permit issued by the California Department of Tax and Fee Administration pursuant to Section 6067 of the Revenue and Taxation Code and, commencing July 1, 2024, has a valid certificate of registration issued pursuant to Section 36036 of the Revenue and Taxation Code.
- (d) Has a certificate of eligibility issued by the Department of Justice pursuant to Section 26710.
- (e) Has a license issued in the format prescribed by subdivision (c) of Section 26705.
- (f) Is among those recorded in the centralized list specified in Section 26715.

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

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

(b) No license shall be granted to any applicant who fails to provide a copy of each of the following documents:

- (1) A valid federal firearms license.
- (2) A valid seller's permit issued by the California Department of Tax and Fee Administration pursuant to Section 6067 of the Revenue and Taxation Code and, commencing July 1, 2024, a valid certificate of registration issued pursuant to Section 36036 of the Revenue and Taxation Code.
- (3) A certificate of eligibility issued by the Department of Justice pursuant to Section 26710.

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

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

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

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

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

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

30395. (a) The Department of Justice is authorized to issue ammunition vendor licenses to applicants who the department has determined, either as an individual or a responsible person, are not prohibited from possessing, receiving, owning, or purchasing ammunition under subdivision (a) of Section 30305 or federal law, and who provide a copy of each of the following documents, as applicable:

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

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

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

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

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

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

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

CHAPTER 3. Firearm and Ammunition Excise Tax Certificates of Registration

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

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

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

(b) The Department of Justice may reinstate an ammunition vendor license that has been revoked pursuant to subdivision (a), or reinstate on any centralized list maintained by the department pursuant to Sections 26715, 28450, and 29060, a firearms dealer or manufacturer that was removed from the centralized list pursuant to subdivision (a) if the California Department of Tax and Fee Administration has reinstated the licensee's certificate of registration or the seller's permit, as applicable.

(c) The Department of Justice's authority under this section to revoke or reinstate an ammunition vendor license, or to remove or reinstate a firearms dealer or firearms manufacturer from a centralized list shall be in addition to

the Department of Justice's authority to revoke or reinstate an ammunition vendor license or to remove or reinstate a firearms dealer or firearms manufacturer from a centralized list under any other statute or authority.

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

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

PART 16. FIREARM, AMMUNITION, AND FIREARM PRECURSOR PART EXCISE TAX
CHAPTER 1. General Provisions and Definitions

36001. For purposes of this part:

(a) The following terms shall have the same meaning as those terms are defined in Division 2 (commencing with Section 16100) of Title 1 of Part 6 of the Penal Code: "ammunition," "ammunition vendor," and "firearm precursor part."

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

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

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

(e) "Gross receipts" shall have the same meaning as that term is defined in Section 6012.

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

(g) "Licensed firearms dealer" shall have the same meaning provided in Section 26700 of the Penal Code.

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

(i) "Retail sale" shall have the same meaning as that term is defined in Section 6007.

36005. (a) There is hereby established in the State Treasury the Gun Violence Prevention and School Safety Fund to receive moneys pursuant to Section 36041.

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

(c) Moneys in the Gun Violence Prevention and School Safety Fund shall be annually 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 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 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 order, including, but not limited to, criminal protective orders, domestic violence restraining orders, gun violence restraining orders, civil harassment restraining orders, and workplace violence restraining orders. The grant program shall be designed to reduce the number of people who are entered into or remain in the Armed Prohibited Persons System, including by supporting partnerships with courts and local law enforcement agencies.

(4) 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 Department of Justice to fund a victims of gun violence grant program. The purpose of this program is to support evidence-based activities to equitably improve investigations and clearance rates in firearm homicide and firearm assault investigations in communities disproportionately impacted by firearm homicides and firearm assaults, and thereby help reduce gun violence in communities across California. Grants from this program shall be made on a competitive basis to state, local, or tribal law enforcement agencies and prosecuting offices for activities that have the specific objective of increasing clearance rates for firearm homicides and nonfatal shootings, which may include, without limitation, hiring and training detectives dedicated to investigating these offenses, hiring and training personnel or other partners to coordinate with victims and witnesses or to collect, process, and test relevant evidence, improving data analysis, forensics, and technological capacities, and promoting recurring and trauma-informed engagement with victims, witnesses, and other impacted community members in a manner that builds trust, safety, and collaboration.

(5) The next two million five hundred thousand dollars (\$2,500,000) available in the fund per year, or as much of that amount as is available, if any, shall, upon appropriation by the Legislature, be annually allocated to the Department of Justice to support activities to inform firearm and ammunition purchasers and firearm owners about gun safety laws and responsibilities, such as safe firearm storage, and to promote implementation and coordination of gun violence prevention efforts through activities such as technical assistance, training, capacity building, and local gun violence data and problem analysis support for local governments, law enforcement agencies, community-based service providers, and other stakeholders. The department may utilize these funds to support activities conducted directly by the department or conducted through contracts with, or grants to, other entities.

(6) The next two million five hundred thousand dollars (\$2,500,000) 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 Office of Emergency Services to provide counseling and trauma-informed support services to direct and secondary victims of mass shootings and other gun homicides and to individuals who have experienced chronic exposure to community gun violence. The office may utilize these funds to support activities directly conducted by the office, or conducted through contracts with, or grants to, other entities, and to help reduce gun violence in communities across California.

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

however, the total amount allocated pursuant to this paragraph across all years shall not exceed one million dollars (\$1,000,000).

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

(e) Except as otherwise provided herein or in any other provision of law, a department or agency may reserve up to 5 percent of the funds appropriated to that department or agency under subdivision (c) for the costs of administering and promoting the effectiveness of programs supported by this act, including, without limitation, costs to employ personnel, develop and review grant solicitations, publicize grant opportunities, engage with and provide technical assistance to prospective grant applicants and grantees, and conduct or support data collection or research evaluations.

CHAPTER 2. Imposition and Rate of Tax

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

CHAPTER 3. Exemptions

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

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

CHAPTER 4. Collection and Administration

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

(b) The department may prescribe, adopt, and enforce rules and regulations, including emergency regulations as necessary, relating to the administration and enforcement of this part, including, but not limited to, collections, reporting, refunds, and appeals.

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

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

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

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

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

36036. The department shall issue a certificate of registration to each eligible applicant that has properly registered pursuant to Section 36035. A certificate of registration issued pursuant to this section shall be valid until canceled or revoked.

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

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

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

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

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

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

(b) The department shall reinstate the certificate of registration of any revoked certificate holder that has satisfactorily complied with subdivision (a).

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

CHAPTER 5. Disposition of Proceeds

36041. All amounts required to be paid pursuant to Section 36011 shall be paid to the department in the form of remittances payable to the department, and those revenues, net of refunds, and costs of administration, shall be deposited in the Gun Violence Prevention and School Safety Fund, established pursuant to Section 36005.

CHAPTER 6. Nonpreemption

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

CHAPTER 7. Authority to Enact Emergency Regulations

36043. If any provision of this act or its application is held invalid, the department shall be authorized to issue guidance or adopt regulations necessary to address any such invalidity and to promote the purposes of this act, including, but not limited to, guidance or regulations to modify or provide additional exemptions from the tax imposed by this act. Such guidance or regulations are exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and shall seek to ensure minimal disruption to funding and operations of programs and initiatives supported by the Gun Violence Prevention and School Safety Fund.

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

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

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

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