

**State of California
Office of Administrative Law**

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Adopt sections:

Amend sections: 999.500, 999.503, 999.504,
999.505, 999.506

Repeal sections:

**NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,
Section 100**

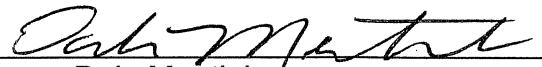
OAL Matter Number: 2023-0228-01

OAL Matter Type: Nonsubstantive (N)

This action without regulatory effect amends the Department of Justice's regulations on the California Pawn and Secondhand Dealer System to conform them to statutory changes made by Senate Bill 1317, Chapter 723, Statutes of 2022.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

Date: March 27, 2023



Dale Mentink
Assistant Chief Counsel

For: Kenneth J. Pogue
Director

Original: Rob Bonta, Attorney General

Copy: Marlon Martinez

NONSUBSTANTIVE

For use by Secretary of State only

ENDORSED - FILED
In the office of the Secretary of State
of the State

MAR 27 2023

Received at 1:23 pm

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2023-0228-01	EMERGENCY NUMBER N
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

OFFICE OF ADMIN. LAW
2023 FEB 28 PM2:05

AGENCY WITH RULEMAKING AUTHORITY
Department of Justice

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

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 Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) California Pawn & SecondhandDealer System (CAPSS)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 999.500, 999.503, 999.504, 999.505, 999.506
TITLE(S) 11	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmission of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmission of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ <input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input checked="" type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Marlon Martinez	TELEPHONE NUMBER (213) 269-6437
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) marlon.martinez@doj.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE Venus D. Johnson Digitally signed by Venus D. Johnson Date: 2023.02.28 09:18:13 -08'00'	DATE
TYPED NAME AND TITLE OF SIGNATORY Venus D. Johnson, Chief Deputy Attorney General	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAR 27 2023

Office of Administrative Law

CALIFORNIA DEPARTMENT OF JUSTICE

TITLE 11. LAW
DIVISION 1. ATTORNEY GENERAL
CHAPTER 22. CALIFORNIA PAWN AND SECONDHANDDEALER SYSTEM
(CAPSS)

TEXT OF PROPOSED REGULATIONS

The original text published in the California Code of Regulations has no underline. Changes are illustrated by single blue underline for proposed additions and ~~single red strikethrough~~ for proposed deletions.

Article 1. Chapter Definitions

§ 999.500. Chapter Definitions.

The following definitions apply to this chapter:

- (a) “Article field descriptor,” as used in this chapter and Business and Professions Code section 21628, subdivision (a)(13)(B), means the preset descriptive categories denoting tangible personal property developed by the Department.
- (b) “Department” means the California Department of Justice.
- ~~(c) “Electronic signature” means an image file of a signature that is uploaded or electronically attached to the Property Transaction Report.~~
- (cd) “Identification number” means the identification, serial, or other identifying number on the face of the identification presented by the intended seller or pledger.
- (de) “Intended seller or pledger address” means the dwelling the intended seller or pledger considers their established or principal home and to which, if absent, they intend to return. It can be real or personal property, fixed or mobile, and located on land or water.
- (ef) “Licensing authority,” as used in this chapter, Business and Professions Code, division 8, chapter 9, article 4, commencing at section 21625, and Financial Code, division 8, chapter 3, commencing at section 21300, means the police department or sheriff’s office issuing the pawnbroker or secondhand dealer license.
- (fg) “Model” means model name or number of the tangible personal property.

(gh) “Owner-applied number,” as used in this chapter and Business and Professions Code section 21628, subdivision (a)(1)(A), means a number permanently affixed by the owner on the tangible personal property.

(hi) “Person taking the information,” as used in this chapter and Business and Professions Code section 21628, subdivision (ea)(1), means the store representative taking and verifying the intended seller or pledger’s information and obtaining the property description information.

(ij) “Plain text description,” as used in this chapter and Business and Professions Code section 21628, subdivision (a)(13)(A), means a property description generally accepted by the pawn and secondhand industry that conveys to a reasonable person the clear nature of the property. The “plain text description” entry shall not make reference to the “plain text descriptor.”

(jk) “Plain text descriptor,” as used in this chapter, and in Business and Professions Code section 21628, subdivision (a)(13)(B), and “plain text property descriptor” as used in Business and Professions Code section 21628, subdivision (d)(1), means a concise, non-abbreviated, key word(s) property description generally accepted by the secondhand industry that conveys to a reasonable person the clear nature of the property. The “plain text descriptor” entry shall not make reference to the “plain text description.”

(kl) “Transaction date” means the calendar date the tangible personal property is received by a licensed pawnbroker or secondhand dealer.

(lm) “Transaction time” means the Pacific Time Zone time the tangible personal property is received by a licensed pawnbroker or secondhand dealer.

(mn) “Transaction type” means pawn, buy, trade, consign, or auction.

(no) “United States” means the 50 States, the District of Columbia, and any territory or possession of the United States.

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

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

... (Omitting Article 2)

Article 3. Pawn and Buy Transaction Reporting

§ 999.503. Property Description.

(a) The “property description” required by Business and Professions Code section 21628, subdivision (a)(13)(A), shall consist of:

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

(b) The “article field” submission required by Business and Professions Code section 21628, subdivision (a)(13)(B), shall consist of either an article field descriptor or a plain text descriptor.

Note: Authority cited: Section 21628, Business and Professions Code; and Section 21208, Financial Code. Reference: Section 21628, Business and Professions Code; and Section 21208, Financial Code.

§ 999.504. Identification of Intended Seller or Pledger.

(a)(1) The secondhand dealer or pawnbroker shall record and maintain the identification information of the intended seller or pledger, as specified in section 999.506(c)(1)(A)-(M), pursuant to Business and Professions Code section 21628, subdivision (e)(1)~~If the identification presented to the person taking the information by the intended seller or pledger is expired or no expiration date is evidenced, the identification’s date of issue shall be entered on the Property Transaction Report, unless exempt pursuant to Business and Professions Code section 21628, subdivision (a)(1)(B) or (a)(2)(B).~~

~~(2) If the identification presented to the person taking the information by the intended seller or pledger evidences an expiration date that is not expired, the identification's date of issue or expiration year shall be entered on the Property Transaction Report, unless exempt pursuant to Business and Professions Code section 21628, subdivision (a)(1)(B) or (a)(2)(B).~~

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

Note: Authority cited: Sections 21628 and 21630, Business and Professions Code; and Section 21208, Financial Code. Reference: Sections 21628 and 21630, Business and Professions Code; and Section 21208, Financial Code.

§ 999.505. Fingerprint.

(a)(1) The “fingerprint” of the intended seller or pledger, as required by Business and Professions Code section 21628, subdivision (ea)(26), shall be the right thumbprint.

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

(3) If the intended seller or pledger has no fingers, this shall be designated using the “Seller or Pledger Has No Fingers” indicator ~~referenced in section 999.506, subdivision (e)(5)(C).~~

(b) A fingerprint is “legible,” as that term is used in Business and Professions Code section 21628, subdivision (ea)(26), if a reasonable person can see clearly defined ridges; provided, however, if the intended seller or pledger does not have clearly defined ridges on their fingers, the person taking the information shall obtain the fingerprint of the finger with the mostly clearly defined ridges.

Note: Authority cited: Section 21628, Business and Professions Code; and Section 21208, Financial Code. Reference: Section 21628, Business and Professions Code; and Section 21208, Financial Code.

§ 999.506. Property Transaction Report.

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

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

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

(c) The Property Transaction Report shall, ~~unless otherwise exempt pursuant to subdivision (d) or (e)~~, include the following information:

(1) Intended seller or pledger information, which shall be populated as "on file" in CAPSS:

(A) First name.

(B) Last name.

(C) Date of birth.

(D) Address.

1. If the intended seller or pledger address is in the United States then the street address shall be entered in the "address" field.
2. If the intended seller or pledger address is outside of the United States then the entire non-United States address shall be entered in the "address" field.
3. If the intended seller or pledger has no address then "None" shall be entered in the "address" field.
4. Only one address shall be provided.

(E) City.

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

(F) US state or territory.

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

(G) Postal code.

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

(H) Gender.

(I) Hair color.

(J) Eye color.

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

(L) Weight (lbs.).

(M2) Identification document information:

1.(A) Identification type.

2.(B) Issuing state or territory.

3.(C) Issuing country.

4.(D) Identification number.

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

(23) Store information:

(A) Store name.

(B) Secondhand dealer or pawnbroker license number.

(C) Licensing authority.

(D) Address.

(E) City.

(F) State.

(G) Postal code.

(H) Store phone number.

(I) Store representative.

(34) Transaction item(s) information:

(A) Transaction date.

(B) Transaction time.

(C) Transaction type.

(D) Article field.

1. The “article field” shall consist of either an article field descriptor or a plain text descriptor.

(E) Plain text description.

(F) Brand name.

1. If the brand name of the tangible personal property is not reasonably ascertainable then “Unknown” shall be entered in the “brand name” field.

2. If the tangible personal property has no brand name then “None” shall be entered in the “brand name” field.

(G) Model.

1. If the model name or number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "model" field.
2. If the tangible personal property has no model name or number then "None" shall be entered into the "model" field.

(H) Color.

(I) Material.

1. If the material of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "material" field.

(J) Size.

1. If the size of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "size" field.

(K) Serial number.

1. If the serial number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "serial number" field.
2. If the tangible personal property has no serial number then "None" shall be entered in the "serial number" field.

(L) Owner-applied number.

1. If the owner-applied number of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "owner-applied number" field.
2. If the tangible personal property has no owner-applied number then "None" shall be entered in the "owner-applied number" field.

(M) Personal inscription.

1. If the personal inscription of the tangible personal property is not reasonably ascertainable then "Unknown" shall be entered in the "inscription" field.
2. If the tangible personal property has no personal inscription then "None" shall be entered in the "inscription" field.

(N) Manufacturer's pattern name.

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

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

~~(5) Electronic signature and fingerprint information:~~

~~(A) Seller or pledger electronic signature.~~

~~(B) Seller or pledger fingerprint.~~

~~(C) Seller or pledger has no fingers indicator.~~

~~(d) The secondhand dealer or pawnbroker shall not enter the information listed in subdivisions (e)(1)(A) through (e)(1)(G) and (e)(2)(D) when a seller or pledger verifies their identity with a Matricula Consular in addition to another item of identification bearing an address.~~

~~(1) When a seller or pledger verifies their identity with a Matricula Consular in addition to another item of identification bearing an address, no personal identifying information of the intended seller or pledger shall be reported to CAPSS. Instead, the personal identifying information of the intended seller or pledger shall be recorded and maintained pursuant to Business and Professions Code section 21628, subdivision (e).~~

~~(2) When a seller or pledger verifies their identity with a Matricula Consular in addition to another item of identification bearing an address, the fields listed in subdivision (e)(1)(A) through (e)(1)(G) and (e)(2)(D), shall instead be populated as "on file," and the information on that person's identity shall be recorded and maintained pursuant to Business and Professions Code section 21628, subdivision (e).~~

~~(e) The secondhand dealer or pawnbroker shall not enter the information listed in subdivision (e)(5) when a seller or pledger verifies their identity with a Matricula Consular in addition to another item of identification bearing an address. The fields listed in subdivision (e)(5), shall instead be populated as "on file," and the information on that person's identity shall be recorded and maintained pursuant to Business and Professions Code section 21628, subdivision (e).~~

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

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

(1) They are the owner or have the authority of the owner to sell or pledge the property; and,

(2) To their knowledge and belief the information they provided is true and complete.

Note: Authority cited: Section 21628, Business and Professions Code; and Section 21208, Financial Code. Reference: Section 21628, Business and Professions Code; and Section 21208, Financial Code.