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AMENDED IN SENATE APRIL 18, 2012
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AMENDED IN SENATE SEPTEMBER 8, 2011
AMENDED IN ASSEMBLY MAY 27, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 391

Introduced by Assembly Member Pan

(Principal coauthors: Assembly Members Alejo and Galgiani)

(Coauthors: Assembly Members Achadjian, Ammiano, Atkins, Beall, Bill Berryhill, Block, Blumenfield, Bradford, *Buchanan*, Charles Calderon, Campos, Cedillo, Conway, Davis, Donnelly, Eng, Fong, Fuentes, Beth Gaines, *Garrick*, Gatto, Gordon, *Gorell*, Grove, Hagman, Hall, Roger Hernández, Hill, Hueso, Jeffries, *Jones*, Lara, Logue, Ma, Mendoza, *Miller*, Morrell, Nestande, Nielsen, Norby, Olsen, *Perea*, V. Manuel Pérez, Portantino, *Smyth*, Solorio, Swanson, Torres, Valadao, Wagner, Wieckowski, and Williams)

(Coauthors: Senators Alquist, Anderson, Berryhill, Calderon, Cannella, Correa, De León, DeSaulnier, Dutton, Emmerson, Fuller, Gaines, Hancock, Harman, *Hernandez*, Huff, Leno, Lieu, Liu, *Lowenthal*, Padilla, Price, *Runner*, Strickland, Vargas, Walters, Wyland, and Yee)

February 14, 2011

An act to amend Sections 21628, 21641, and 21642 of, and to add Section 21642.5 to, the Business and Professions Code, and to amend

Sections 21300 and 21301 of, and to repeal and add Section 21208 of, the Financial Code, relating to personal property, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 391, as amended, Pan. Secondhand dealers and pawnbrokers: electronic reporting.

Existing law generally requires secondhand dealers and coin dealers, as defined, to report specified transactions to the local law enforcement agency where their businesses are located. Under existing law, secondhand dealers and coin dealers are required to report this information using an electronic reporting system 12 months after the Department of Justice develops that system.

This bill would instead require that secondhand dealers and coin dealers report this information using the single, statewide, uniform electronic reporting system on and after the date that the system is implemented, as specified.

Existing law requires a local law enforcement agency to issue a license to engage in the business of a secondhand dealer or pawnbroker to an applicant who meets designated criteria. Existing law authorizes the local licensing authority and the Department of Justice to charge an initial licensure fee and a renewal fee, as specified.

This bill would require the Department of Justice to charge a licensure fee and a renewal fee of no more than \$300, as specified. The bill would also require licensees issued a license before the effective date of this bill to pay an additional fee of no more than \$288 for the purpose of funding the single, statewide, uniform electronic reporting system, with payment due within 120 days of the enactment of this bill. The bill would require that the fees assessed by the department be deposited in the Secondhand Dealer and Pawnbroker Fund, which the bill would create in the State Treasury. The bill would continuously appropriate the money in the fund to the department for the purpose of paying for specified regulatory costs, including the cost of implementing, operating, and maintaining the single, statewide, uniform electronic reporting system, and would appropriate \$2.5 million dollars to the department for the purpose of implementing the system. The bill would also require applicants for a license to submit fingerprint images relative to a required criminal background check, with associated fee revenue to be deposited

in the Fingerprint Fee Account, and would continuously appropriate those revenues to the Department of Justice for these purposes. The bill would make other related conforming changes.

The bill would declare that it is to take effect immediately as an urgency statute.

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

State-mandated local program: no.

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

1 SECTION 1. It is the intent of the Legislature to enact
2 legislation that fully funds the cost of developing and implementing
3 a single, statewide, uniform electronic reporting system of the
4 information required to be reported in accordance with Section
5 21628 of the Business and Professions Code, for reporting the
6 acquisition of secondhand, tangible personal property through the
7 imposition of a fee 120 days after enactment of this act and
8 thereafter upon the application for and renewal of a license to act
9 as a secondhand dealer or pawnbroker.

10 It is further the intent of the Legislature to relieve all secondhand
11 dealers, coin dealers, and pawnbrokers of the inherent costs and
12 burdens imposed under existing law that requires these businesses
13 to report their daily acquisitions of secondhand tangible personal
14 property on paper forms limited to a single transaction. The
15 Legislature finds that the costs associated with printing, manually
16 completing, and mailing or delivering hundreds to thousands of
17 paper reports is an unnecessary and expensive burden on these
18 businesses and represents an unnecessary risk of loss of consumer
19 financial information, and that the cost of electronically collecting
20 multiple transactions on a daily basis through the uniform
21 electronic reporting system is significantly more cost effective and
22 a benefit to these businesses.

23 SEC. 2. Section 21628 of the Business and Professions Code
24 is amended to read:

25 21628. Every secondhand dealer or coin dealer described in
26 Section 21626 shall report daily, or on the first working day after
27 receipt or purchase of secondhand tangible personal property, on
28 forms or through an electronic reporting system approved by the
29 Department of Justice, all secondhand tangible personal property,
30 except for firearms, which he or she has purchased, taken in trade,

1 taken in pawn, accepted for sale on consignment, or accepted for
2 auctioning, to the chief of police or to the sheriff, in accordance
3 with the provisions of Sections 21630 and 21633 and subdivision
4 (j). The report shall be legible, prepared in English, completed
5 where applicable, and include, but not be limited to, the following
6 information:

7 (a) The name and current address of the intended seller or
8 pledger of the property.

9 (b) The identification of the intended seller or pledger. The
10 identification of the seller or pledger of the property shall be
11 verified by the person taking the information. The verification
12 shall be valid if the person taking the information reasonably relies
13 on any one of the following documents, provided that the document
14 is currently valid or has been issued within five years and contains
15 a photograph or description, or both, of the person named on it,
16 and, where applicable, is signed by the person, and bears a serial
17 or other identifying number:

18 (1) A passport of the United States.

19 (2) A driver's license issued by any state or Canada.

20 (3) An identification card issued by any state.

21 (4) An identification card issued by the United States.

22 (5) A passport from any other country in addition to another
23 item of identification bearing an address.

24 (6) A Matricula Consular in addition to another item of
25 identification bearing an address.

26 (c) A complete and reasonably accurate description of serialized
27 property, including, but not limited to, the following: serial number
28 and other identifying marks or symbols, owner-applied numbers,
29 manufacturer's named brand, and model name or number. Watches
30 need not be disassembled when special skill or special tools are
31 required to obtain the required information, unless specifically
32 requested to do so by a peace officer. A special tool does not
33 include a penknife, caseknife, or similar instrument and
34 disassembling a watch with a penknife, caseknife, or similar
35 instrument does not constitute a special skill. In all instances where
36 the required information may be obtained by removal of a
37 watchband, then the watchband shall be removed. The cost
38 associated with opening the watch shall be borne by the
39 pawnbroker, secondhand dealer, or customer.

1 (d) A complete and reasonably accurate description of
2 nonserialized property, including, but not limited to, the following:
3 size, color, material, manufacturer's pattern name (when known),
4 owner-applied numbers and personalized inscriptions, and other
5 identifying marks or symbols. Watches need not be disassembled
6 when special skill or special tools are required to obtain the
7 required information, unless specifically requested to do so by a
8 peace officer. A special tool does not include a penknife, caseknife,
9 or similar instrument and disassembling a watch with a penknife,
10 caseknife, or similar instrument does not constitute a special skill.
11 In all instances where the required information may be obtained
12 by removal of a watchband, then the watchband shall be removed.
13 The cost associated with opening the watch shall be borne by the
14 pawnbroker, secondhand dealer, or customer.

15 (e) A certification by the intended seller or pledger that he or
16 she is the owner of the property or has the authority of the owner
17 to sell or pledge the property.

18 (f) A certification by the intended seller or pledger that to his
19 or her knowledge and belief the information is true and complete.

20 (g) A legible fingerprint taken from the intended seller or
21 pledger, as prescribed by the Department of Justice. This
22 requirement does not apply to a coin dealer, unless required
23 pursuant to local regulation.

24 (h) (1) When a secondhand dealer complies with all of the
25 provisions of this section, he or she shall be deemed to have
26 received from the seller or pledger adequate evidence of authority
27 to sell or pledge the property for all purposes included in this
28 article, and Division 8 (commencing with Section 21000) of the
29 Financial Code.

30 (2) In enacting this subdivision, it is the intent of the Legislature
31 that its provisions shall not adversely affect the implementation
32 of, or prosecution under, any provision of the Penal Code.

33 (i) Any person who conducts business as a secondhand dealer
34 at any gun show or event, as defined in Section 478.100 of Title
35 27 of the Code of Federal Regulations, or its successor, outside
36 the jurisdiction that issued the secondhand dealer license in
37 accordance with subdivision (d) of Section 21641, may be required
38 to submit a duplicate of the transaction report prepared pursuant
39 to this section to the local law enforcement agency where the gun
40 show or event is conducted.

1 (j) (1) The Department of Justice shall, in consultation with
2 appropriate local law enforcement agencies, develop clear and
3 comprehensive descriptive categories denoting tangible personal
4 property, as detailed in this section, subject to the reporting
5 requirements of this section. These categories shall be incorporated
6 by secondhand dealers and coin dealers described in Section 21626
7 for purposes of the reporting requirements set forth herein. Any
8 required report shall be transmitted by electronic means. With the
9 consultation by the Department of Justice with local law
10 enforcement agencies and representatives from the secondhand
11 dealer and coin dealer businesses, pursuant to Resolution Chapter
12 16 of the Statutes of 2010, and upon the availability of sufficient
13 funds in the Secondhand Dealer and Pawnbroker Fund created
14 pursuant to Section 21642.5, the department shall promptly develop
15 a single, statewide, uniform electronic reporting system to be used
16 to transmit this report.

17 (2) (A) Until the date that the Department of Justice implements
18 the single, statewide, uniform electronic reporting system described
19 in paragraph (1), each secondhand dealer and coin dealer may
20 continue to report the information required by this section under
21 the reporting categories described in paragraph (1) in paper format
22 on forms approved of or provided by the Department of Justice.

23 (B) On and after the date that the Department of Justice
24 implements the single, statewide, uniform electronic reporting
25 system described in paragraph (1), each secondhand dealer and
26 coin dealer shall electronically report using that system the
27 information required by this section under the reporting categories
28 described in paragraph (1), except that for the first 30 days
29 following the implementation date, each secondhand dealer and
30 coin dealer shall also report the information in paper format as
31 described in subparagraph (A).

32 (3) A coin dealer who engages in less than 10 transactions each
33 week in which he or she has purchased, taken in trade, taken in
34 pawn, accepted for sale or consignment, or accepted for auctioning
35 tangible personal property, shall report the information required
36 by this section under the reporting categories described in
37 paragraph (1) on a form developed by the Attorney General that
38 the coin dealer shall transmit each day by facsimile transmission
39 or by mail to the chief of police or sheriff. A transaction shall
40 consist of not more than one item. Nothing in this section shall

1 prohibit up to 10 transactions with the same customer per week,
2 provided that the cumulative total per week for all customers does
3 not exceed 10 transactions. Until that form is developed, these
4 coin dealers shall continue to report information required by this
5 section using existing forms and procedures. If these transactions
6 increase to 10 per week, the coin dealer shall electronically report
7 using the single, statewide, uniform electronic reporting system
8 described in paragraph (1) the information required by this section
9 beginning six months after his or her transactions exceed 10 per
10 week or 12 months after the system described in paragraph (1) has
11 been implemented, whichever occurs later.

12 (4) For purposes of this subdivision, “item” shall mean any
13 single physical article. However, with respect to a commonly
14 accepted grouping of articles that are purchased as a set, including,
15 but not limited to, a pair of earrings or place settings of china,
16 silverware, or other tableware, “item” shall mean that commonly
17 accepted grouping.

18 (5) Nothing in this subdivision shall be construed as excepting
19 a secondhand dealer from the fingerprinting requirement of
20 subdivision (g).

21 (k) Nothing in this section shall be construed to exempt a person
22 licensed as a firearms dealer pursuant to Sections 26700 to 26915,
23 inclusive, of the Penal Code from the reporting requirements for
24 the delivery of firearms pursuant to Sections 26700 to 26915,
25 inclusive, of the Penal Code.

26 SEC. 3. Section 21641 of the Business and Professions Code
27 is amended to read:

28 21641. (a) The chief of police, the sheriff, or, where
29 appropriate, the police commission, shall accept an application for
30 and grant a license permitting the licensee to engage in the business
31 of secondhand dealer, as defined in Section 21626, to an applicant
32 who has not been convicted of an attempt to receive stolen property
33 or any other offense involving stolen property. Prior to the granting
34 of a license, the licensing authority shall submit the application to
35 the Department of Justice. If the Department of Justice does not
36 comment on the application within 30 days thereafter, the licensing
37 authority may grant the applicant a license. All forms for
38 application and licensure, and license renewal, shall be prescribed
39 and provided by the Department of Justice. A fee shall be charged
40 to the applicant by the Department of Justice as specified in Section

1 21642.5. *The licensing authority shall collect the fee and transmit*
2 *the fee to the Department of Justice.* In addition, a fee, not to
3 exceed the actual costs of processing the application by the police
4 chief, the sheriff, or, where appropriate, the police commission,
5 may be charged to the applicant to recover the actual costs of
6 processing the application by these entities.

7 (b) For the purposes of this section, “convicted” means a plea
8 or verdict of guilty or a conviction following a plea of nolo
9 contendere.

10 (c) Notwithstanding subdivisions (a) and (b), no person shall
11 be denied a secondhand dealer’s license solely on the grounds that
12 he or she violated any provision contained in this article or Article
13 5 (commencing with Section 21650), or any provision contained
14 in Chapter 2 (commencing with Section 21200) of Division 8 of
15 the Financial Code, unless the violation demonstrates a pattern of
16 conduct.

17 (d) Any person licensed as a firearms dealer pursuant to Sections
18 26700 to 26915, inclusive, of the Penal Code, who is conducting
19 business at gun shows or events pursuant to subdivision (b) of
20 Section 26805 of the Penal Code, and who has a valid secondhand
21 dealer license granted by the appropriate local authorities in the
22 jurisdiction where the firearms dealer license has been granted,
23 shall be authorized to conduct business as a secondhand dealer at
24 any gun show or event, as defined in Section 478.100 of Title 27
25 of the Code of Federal Regulations, or its successor, without regard
26 to the jurisdiction within this state that issued the secondhand
27 dealer license pursuant to subdivision (a) of this section. No
28 additional fees or separate secondhand dealer license shall be
29 required by any agency having jurisdiction over the locality where
30 the gun show or event is conducted. However, the person shall
31 otherwise be subject to, and comply with, the requirements of this
32 article when he or she acts as a secondhand dealer at the gun show
33 or event to the same extent as if he or she were licensed as a
34 secondhand dealer in the jurisdiction in which the gun show or
35 event is being conducted.

36 SEC. 4. Section 21642 of the Business and Professions Code
37 is amended to read:

38 21642. (a) A license granted pursuant to Section 21641 shall
39 be renewable the second year from the date of issue, and every
40 other year thereafter, upon the filing of a renewal application and

1 the payment of a license renewal fee specified by the licensing
2 authority. The Department of Justice shall also charge a fee, as
3 specified in Section 21642.5. The licensing authority shall collect
4 the fee and transmit the fee and a copy of the renewed license to
5 the Department of Justice, ~~as specified in Section 21642.5.~~ The
6 police chief, sheriff, or, where appropriate, the police commission
7 may charge a fee, not to exceed the actual costs incurred to process
8 the renewal application of the licensee.

9 (b) The license shall be subject to forfeiture by the licensing
10 authority and the licensee's activities as a secondhand dealer shall
11 be subject to being enjoined pursuant to Section 21646 for breach
12 of any of the following conditions:

13 (1) The business shall be carried on only at the location
14 designated on the license. The license shall designate all locations
15 where property belonging to the business is stored. Property of the
16 business may be stored at locations not designated on the license
17 only with the written consent of the local licensing authority.

18 (2) The license or a copy thereof, certified by the licensing
19 authority, shall be displayed on the premises in plain view of the
20 public.

21 (3) The licensee shall not engage in any act which the licensee
22 knows to be in violation of this article.

23 (4) The licensee shall not be convicted of an attempt to receive
24 stolen property or any other offense involving stolen property. For
25 the purposes of this paragraph, "convicted" means a plea or verdict
26 of guilty or a conviction following a plea of nolo contendere. Any
27 action which the chief of police, the sheriff, or, where appropriate,
28 the police commission is permitted to take following the
29 establishment of a conviction may be taken when the time for
30 appeal has elapsed, or the judgment of conviction has been affirmed
31 on appeal, or when an order granting probation is made suspending
32 the imposition of sentence, irrespective of a subsequent order under
33 the provisions of Section 1203.4 of the Penal Code.

34 (c) Notwithstanding subdivisions (a) and (b), no person shall
35 have his or her renewal application for a secondhand dealer's
36 license denied, nor shall his or her secondhand dealer's license be
37 forfeited solely on the grounds that he or she violated any provision
38 contained in this article or Article 5 (commencing with Section
39 21650), or any provision contained in Chapter 2 (commencing

1 with Section 21200) of Division 8 of the Financial Code, unless
2 the violation demonstrates a pattern of conduct.

3 SEC. 5. Section 21642.5 is added to the Business and
4 Professions Code, to read:

5 21642.5. (a) The Department of Justice shall require each
6 applicant for an initial license under Section 21641 of this code or
7 Section 21300 of the Financial Code and each applicant for renewal
8 of a license under Section 21642 of this code or Section 21301 of
9 the Financial Code to pay a fee not to exceed three hundred dollars
10 (\$300), but in no event exceeding the costs described in subdivision
11 (b), except that the fee may be increased at a rate not to exceed
12 any increase in the California Consumer Price Index as compiled
13 and reported by the Department of Industrial Relations.

14 (b) The fees assessed pursuant to subdivision (a) shall be no
15 more than necessary to cover the reasonable regulatory costs to
16 the department of doing all of the following:

17 (1) Processing initial license applications under Section 21641
18 of this code and Section 21300 of the Financial Code.

19 (2) Processing renewal applications under Section 21642 of this
20 code and Section 21301 of the Financial Code.

21 (3) Implementing, operating, and maintaining the single,
22 statewide, uniform electronic reporting system described in
23 subdivision (j) of Section 21628.

24 (c) All licensees holding a license issued before the effective
25 date of the act adding this section pursuant to Section 21641 or
26 21642 of this code or Section 21300 or 21301 of the Financial
27 Code shall, within 120 days after enactment of the act adding this
28 section in the 2011–12 Regular Session, in addition to any fee
29 required under subdivision (a), pay a fee not to exceed two hundred
30 eighty-eight dollars (\$288) to the Department of Justice.

31 (d) The fees paid pursuant to subdivisions (a) and (c) shall be
32 deposited in the Secondhand Dealer and Pawnbroker Fund, which
33 is hereby established in the State Treasury. Notwithstanding
34 Section 13340 of the Government Code, the revenue in the fund
35 is continuously appropriated to the Department of Justice for the
36 purpose of paying for the costs described in paragraphs (1) to (3),
37 inclusive, of subdivision (b), except that the revenue received
38 pursuant to subdivision (c) is continuously appropriated to the
39 Department of Justice for the purpose of paying for the costs
40 described in paragraph (3) of subdivision (b).

1 (e) Applicants described in subdivision (a) shall submit to the
2 Department of Justice fingerprint images and related information
3 required by the Department of Justice for the purposes of obtaining
4 information as to the existence and contents of a record of state
5 convictions and state arrests and information as to the existence
6 and contents of a record of state arrests for which the Department
7 of Justice establishes that the person is free on bail or on his or her
8 own recognizance pending trial or appeal.

9 (1) The Department of Justice shall prepare a state-level
10 response pursuant to paragraph (1) of subdivision (l) of Section
11 11105 of the Penal Code.

12 (2) The Department of Justice shall provide subsequent
13 notification service pursuant to Section 11105.2 of the Penal Code
14 for applicants described in this subdivision.

15 (3) The Department of Justice shall charge a fee sufficient to
16 cover the cost of processing the request described in this
17 subdivision. The fee revenues shall be deposited in the Fingerprint
18 Fee Account and, notwithstanding Section 13340 of the
19 Government Code, shall be continuously appropriated to the
20 department for the purposes of paying the costs associated with
21 this subdivision.

22 SEC. 6. Section 21208 of the Financial Code is repealed.

23 SEC. 7. Section 21208 is added to the Financial Code, to read:

24 21208. A pawnbroker shall comply with the reporting
25 requirements imposed on secondhand dealers under Article 4
26 (commencing with Section 21625) of Chapter 9 of Division 8 of
27 the Business and Professions Code.

28 SEC. 8. Section 21300 of the Financial Code is amended to
29 read:

30 21300. (a) The chief of police, the sheriff, or, where
31 appropriate, the police commission shall accept an application for
32 and grant a license permitting the licensee to engage in the business
33 of pawnbroker, as defined in Section 21000, at the address
34 indicated on the application, to an applicant who has complied
35 with the requirements of Sections 21303, 21304, and 21305 and
36 has not been convicted of an attempt to receive stolen property or
37 any other offense involving stolen property. Prior to the granting
38 of a license, the licensing authority shall submit the application to
39 the Department of Justice. If the Department of Justice does not
40 comment on the application within 30 days thereafter, the licensing

1 authority shall grant the applicant a license. All forms for
2 application and licensure, and license renewal, shall be prescribed
3 and provided by the Department of Justice. A fee shall be charged
4 to the applicant by the Department of Justice, as specified in
5 Section 21642.5 of the Business and Professions Code, for
6 processing the initial license application and funding the single,
7 statewide, uniform electronic reporting system set forth in
8 subdivision (j) of Section 21628 of the *Business and Professions*
9 *Code*. ~~A~~ *The licensing authority shall collect the fee and transmit*
10 *the fee to the Department of Justice. In addition, a fee, not to*
11 *exceed the actual costs of processing the application by the police*
12 *chief, sheriff, or, where appropriate, the police commission, may*
13 *be charged to the applicant to recover the actual costs of processing*
14 *the application by these entities.*

15 (b) For the purposes of this section, “convicted” means a plea
16 or verdict of guilty or a conviction following a plea of nolo
17 contendere.

18 (c) Notwithstanding subdivisions (a) and (b), no person shall
19 be denied a pawnbroker’s license solely on the grounds that he or
20 she violated any provision contained in Chapter 1 (commencing
21 with Section 21000) or Chapter 2 (commencing with Section
22 21200), or any provision contained in Article 4 (commencing with
23 Section 21625) or Article 5 (commencing with Section 21650) of
24 Chapter 9 of Division 8 of the Business and Professions Code,
25 unless the violation demonstrates a pattern of conduct.

26 SEC. 9. Section 21301 of the Financial Code is amended to
27 read:

28 21301. (a) A license granted pursuant to Section 21300 shall
29 be renewable the second year from the date of issue, and every
30 other year thereafter, upon the filing of a renewal application,
31 payment of a renewal fee specified by the licensing authority, and
32 compliance with the requirements of Section 21303. The
33 Department of Justice shall also require the licensee, in addition
34 to any locally assessed fee as set forth herein, to pay a fee as
35 described in Section 21642.5 of the Business and Professions Code.
36 *The licensing authority shall collect the fee and transmit the fee*
37 *and a copy of the renewed license to the Department of Justice.*
38 The police chief, sheriff, or, where appropriate, the police
39 commission may charge a fee, not to exceed the actual costs
40 incurred to process the renewal application of the licensee.

1 (b) The license shall be subject to forfeiture by the licensing
2 authority, and the licensee’s activities as a pawnbroker shall be
3 subject to being enjoined pursuant to Section 21302, for breach of
4 any of the following conditions:

5 (1) The business shall be carried on only at the location
6 designated on the license. The license shall designate all locations
7 where property belonging to the business is stored. Property of the
8 business may be stored at locations not designated on the license
9 only with the written consent of the local licensing authority.

10 (2) The license or a copy thereof, certified by the licensing
11 authority, shall be displayed on the premises in plain view of the
12 public.

13 (3) The licensee shall not engage in any act that the licensee
14 knows to be in violation of this article.

15 (4) The licensee shall not be convicted of an attempt to receive
16 stolen property or other offense involving stolen property. For the
17 purposes of this paragraph, “convicted” means a plea or verdict
18 of guilty or a conviction following a plea of nolo contendere. Any
19 action that the chief of police, the sheriff, or, where appropriate,
20 the police commission is permitted to take following that
21 conviction may be taken when the time for appeal has elapsed, the
22 judgment of conviction has been affirmed on appeal, or an order
23 granting probation is made suspending the imposition of sentence,
24 irrespective of a subsequent order under Section 1203.4 of the
25 Penal Code.

26 (c) Notwithstanding subdivisions (a) and (b), no renewal
27 application for a pawnbroker’s license may be denied, nor may
28 his or her pawnbroker’s license be forfeited, solely on the grounds
29 that the applicant violated any provision contained in Chapter 1
30 (commencing with Section 21000) or Chapter 2 (commencing with
31 Section 21200), or any provision contained in Article 4
32 (commencing with Section 21625) or Article 5 (commencing with
33 Section 21650) of Chapter 9 of Division 8 of the Business and
34 Professions Code, unless the violation demonstrates a pattern of
35 conduct.

36 SEC. 10. (a) The Legislature finds and declares that the initial
37 licensure and renewal fees authorized by Section 21642.5 of the
38 Business and Professions Code, as proposed to be added by Section
39 5 of this act, are necessary to implement and maintain the single,
40 statewide, uniform electronic reporting system and constitute

1 charges imposed for the specific benefit of secondhand dealers
 2 and pawnbrokers under paragraph (1) of subdivision (b) of Section
 3 3 of Article XIII A of the California Constitution. The Legislature
 4 finds and declares that these fees eliminate the costly and risk-prone
 5 paper reporting system required of these businesses under existing
 6 law.

7 (b) The Legislature further finds and declares that the initial
 8 licensure and renewal fees authorized by Section 21642.5 of the
 9 Business and Professions Code, as proposed to be added by Section
 10 5 of this act, are imposed for the reasonable regulatory costs to the
 11 state incident to issuing licenses and performing investigations
 12 under paragraph (3) of subdivision (b) of Section 3 of Article
 13 XIII A of the California Constitution. The Legislature finds and
 14 declares that these fees are no more than necessary to offset the
 15 costs incurred by the Department of Justice in processing licensure
 16 and renewal applications for secondhand dealers and pawnbrokers
 17 and implementing and maintaining a single, statewide, uniform
 18 electronic reporting system required to effectuate the legislative
 19 intent expressed in Section 21625 of the Business and Professions
 20 Code.

21 SEC. 11. Notwithstanding subdivision (d) of Section 21642.5
 22 of the Business and Professions Code, the sum of two million five
 23 hundred thousand dollars (\$2,500,000) is hereby appropriated from
 24 the Secondhand Dealer and Pawnbroker Fund created by Section
 25 21642.5 of the Business and Professions Code to the Department
 26 of Justice for the purpose of implementing the single, statewide,
 27 uniform electronic reporting system described in subdivision (j)
 28 of Section 21628 of the Business and Professions Code.

29 SEC. 12. This act is an urgency statute necessary for the
 30 immediate preservation of the public peace, health, or safety within
 31 the meaning of Article IV of the Constitution and shall go into
 32 immediate effect. The facts constituting the necessity are:

33 In order to make the single, statewide, uniform electronic
 34 reporting system available to secondhand dealers and pawnbrokers
 35 as soon as possible, it is necessary that this act take effect
 36 immediately.

O