
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 2156 (Wicks) - Firearms: manufacturers

Version: March 23, 2022

Urgency: No

Hearing Date: June 13, 2022

Policy Vote: PUB. S. 4 - 1

Mandate: Yes

Consultant: Matthew Fleming

Bill Summary: AB 2156 would reduce from 50 to three, the number of firearms a person, firm or corporation may manufacture in a calendar year without having a state license to manufacture firearms. This bill also prohibits a person, firm or corporation from using a three-dimensional (3D) printer to manufacture any firearm, including a frame or receiver, or any firearm precursor part, without having a state license to manufacture firearms.

Fiscal Impact:

- Costs ranging from \$14,000 annually to as much as \$518,000 in fiscal year (FY) 2022-23, \$510,000 in FY 2023-24 and \$21,000 annually thereafter to the Department of Justice (DOJ) in additional staff and technological upgrades, depending on how many new applications DOJ receives for a manufacturer license and how many violations of the manufacturing requirements DOJ must investigate annually (Special Fund - Dealer Record of Sale (DROS) Fund, General Fund).*
- Potentially significant costs pressures resulting from additional court workload resulting due to the creation of a new misdemeanor offense (Special Fund – Trial Court trust Fund, General Fund).*

*See Staff Comments for additional details.

Background: In 1998, legislation was enacted to require state licensing of federal firearms manufacturers if they manufactured more than 100 firearms within this state. SB 376 (Portantino) Chapter 738, Stats. 2019, effective January 1, 2020, changed the number of firearms a person can manufacture without a State license to 50. This bill would further reduce that number to three.

Machines known commonly as 3D printers use the same back-and-forth motion that any inkjet printer does, but instead of applying ink to paper they employ a process called "additive manufacturing." That means the machines apply layer after layer of a specific material — plastic, for example — in a specific shape until a three-dimensional object slowly arises. Plastic can be melted and fused to form pieces of a gun without molds or casts. 3D printed firearms are legal in California but the person must comply with all other laws restricting possessing certain firearms, including assault weapons and apply to the DOJ for a unique serial number for each 3D printed gun. Current law requires a person manufacturing or assembling a firearm to apply to the DOJ for a unique serial number or other mark of identification for that firearm. (Pen. Code § 29180 (b)(1).) This

bill would require a state firearms manufacturing license in order for any person to make a firearm or firearm precursor parts with a 3-D printer.

Proposed Law:

- Reduces the number of firearms that a person, firm, or corporation may manufacture in a calendar year without having a state license to manufacture firearms from 50 to three. A violation of this prohibition would be a misdemeanor.
- Prohibits a person, firm, or corporation from using a three-dimensional printer to manufacture any firearm, including a frame or receiver, or any firearm precursor part, without having a state license to manufacture firearms. A violation of this prohibition would be a misdemeanor.
- Defines “three-dimensional printer” for purposes of this measure.

Related Legislation: SB 376 (Portantino) Ch. 738, Stats. of 2019, required any person manufacturing 50 or more firearms be a licensed manufacturer.

Staff Comments:

- DOJ: DOJ received two positions and \$981,000 in 2020-21, \$306,000 in 2021-22 and \$232,000 annually thereafter to track firearms as required by SB 376 (Portantino), Chapter 378, Statutes of 2019. SB 376 requires any person manufacturing 50 or more firearms be a licensed manufacturer. If this bill does not result in any additional applications for new licensees then its costs could be absorbable by existing resources. However, DOJ anticipates there will be an increase in the number of licensing requests each year because of this bill, possibly resulting in the need for additional staff or overtime funds and system infrastructure to license more firearm manufacturers each year. In one scenario, DOJ anticipated receiving 274 applications in FY 2022-23. In order to process the increase in license applications, DOJ estimates 137.5 overtime hours in FY 2022-23 and 275 overtime hours in FY 2023-24 and ongoing.

This bill would have an impact to the DROS account. As recently as FY 2019-20, the DROS Account was structurally imbalanced. As part of the 2019-20 budget package, financial support of Armed Prohibited Persons Systems (APPS) teams was shifted to the General Fund and some DROS expenditures were simultaneously shifted to the Firearms Safety and Enforcement Special Fund. In addition, AB 1669 (Bonta) Ch. 736, Stats. of 2019, authorized the DOJ to charge a \$31.19 per transaction fee, and deposit those revenues into the DROS Supplemental Subaccount. AB 1669 made several other changes, but the net impact of AB 1669 was to increase the fees paid to DOJ from firearms transactions by \$13.19 per transaction.

- Courts: While the superior courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to increase the amount appropriated to backfill for trial court operations. This bill would create new misdemeanor offenses. A misdemeanor is punishable with incarceration and therefore certain defendants' rights are attached

to the proceedings. These rights include the right to be represented by counsel, at public expense if the defendant is unable to afford their own attorney, and the right to a jury trial. The exercise of these rights can result in lengthier and more complex court proceedings. The proposed 2022-2023 budget would appropriate \$138.5 million from the General Fund to backfill continued reduction in fine and fee revenue for trial court operations. Increased court workload results in additional pressure to increase the backfill amount appropriated from the General Fund for trial court operations.

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