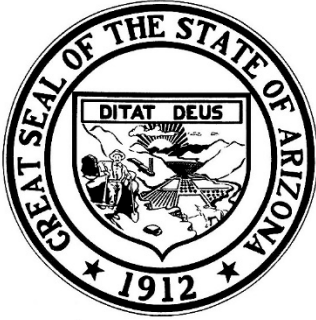


HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **SB1058**

Gutierrez Floor Amendment

1. Removes language prohibiting the use of merchant codes.
2. Requires firearm dealers to obtain a state permit to operate and criminalizes selling firearms in Arizona without a permit.
3. Allows the Department of Public Safety to inspect firearm dealers and issue fines or revoke licenses if violations are present.
4. Requires background checks for all firearm store employees. Prohibits firearm stores from employing people under the age of 21.
5. Requires firearm store employees to receive training to identify potentially dangerous sales.
6. Requires dealers to install commercial grade doors and locks and use safes or vaults to secure firearms in inventory.
7. Requires firearm stores to use video surveillance and specified alarm systems.
8. Prohibits dealers from transferring firearms to a buyer until the buyer has cleared the background check. Prohibits the sale of more than 1 firearm to a person in a 30-day period.
9. Requires dealers to notify the state Department of Public Safety of all firearm transfers.
10. Requires state law enforcement agencies to enter cartridge casings into a national ballistics database.
11. Requires manufacturers to keep crime firearm trace data.
12. Allows the Attorney General and any person who has been damaged as a result of a gun industry member's act in violation of this chapter to bring action for recovery of damages or to enforce this section.
13. Requires background checks on all firearm transfers.

Amendment explanation prepared by SC

Phone Number 65848

sc

4/7/2026

GUTIERREZ FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1058
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 44-7851, Arizona Revised Statutes, is amended to
3 read:

4 44-7851. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "AMMUNITION" INCLUDES:

7 (a) CARTRIDGE CASES.

8 (b) PRIMERS.

9 (c) BULLETS.

10 (d) PROPELLANT POWDER THAT IS DESIGNED FOR USE IN ANY FIREARM.

11 2. "ASSIGN" MEANS A COVERED ENTITY'S POLICY, PROCESS OR PRACTICE
12 THAT LABELS, LINKS OR OTHERWISE ASSOCIATES A MERCHANT CATEGORY CODE WITH A
13 MERCHANT OR A PAYMENT CARD TRANSACTION IN A MANNER THAT ALLOWS A COVERED
14 ENTITY OR ANY OTHER ENTITY THAT FACILITATES OR PROCESSES THE PAYMENT CARD
15 TRANSACTION TO IDENTIFY WHETHER A MERCHANT IS A FIREARM RETAILER OR
16 WHETHER A TRANSACTION INVOLVES THE SALE OF FIREARMS OR AMMUNITION.

17 [3. "ATF" MEANS THE BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND
18 EXPLOSIVES WITHIN THE UNITED STATES DEPARTMENT OF JUSTICE.

19 4. "BRANCH LOCATION" MEANS ANY LOCATION PHYSICALLY SEPARATE FROM
20 THE PRINCIPAL PLACE OF BUSINESS OF A PARENT COMPANY THAT HAS A STATE
21 PERMIT TO SELL FIREARMS AND THAT IS ALSO ENGAGED IN THE BUSINESS OF
22 SELLING FIREARMS.]

23 [3. "COVERED ENTITY" MEANS ANY ENTITY, OR AGENT OF THE COVERED
24 ENTITY, THAT ESTABLISHES A RELATIONSHIP WITH A RETAILER FOR THE PURPOSE OF
25 PROCESSING CREDIT CARD, DEBIT CARD OR PREPAID TRANSACTIONS.]

26 [5. "DEALER" MEANS A PERSON WHO HOLDS A VALID STATE PERMIT ISSUED
27 PURSUANT TO THIS CHAPTER.

28 6. "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC SAFETY.

1 7. "DRUG TRAFFICKING CRIME" HAS THE SAME MEANING PRESCRIBED IN 18
2 UNITED STATES CODE SECTION 924(c)(2) AND INCLUDES A FELONY PUNISHABLE
3 UNDER THE LAW OF THIS STATE FOR WHICH THE CONDUCT CONSTITUTING THE OFFENSE
4 WOULD CONSTITUTE A FELONY PUNISHABLE UNDER THE CONTROLLED SUBSTANCES ACT
5 (21 UNITED STATES CODE SECTION 801), THE CONTROLLED SUBSTANCES IMPORT AND
6 EXPORT ACT (21 UNITED STATES CODE SECTION 951) OR CHAPTER 705 OF TITLE 46
7 OF THE UNITED STATES CODE.

8 8. "ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS" MEANS TO SELL OR
9 OFFER TO SELL FIVE OR MORE FIREARMS WITHIN A TWELVE-MONTH PERIOD.

10 9. "FEDERAL CRIME OF TERRORISM" HAS THE SAME MEANING PRESCRIBED IN
11 18 UNITED STATES CODE SECTION 2332B(g)(5).

12 10. "FEDERAL FIREARMS LICENSE" MEANS A LICENSE TO IMPORT,
13 MANUFACTURE OR DEAL IN FIREARMS ISSUED PURSUANT TO 18 UNITED STATES CODE
14 SECTION 923.

15 11. "FELONY" INCLUDES ANY OFFENSE UNDER FEDERAL LAW PUNISHABLE BY
16 IMPRISONMENT FOR A TERM OF ONE YEAR OR MORE.]

17 ~~12.~~ [4.] [12.] "Firearm" means any loaded or unloaded handgun,
18 pistol, revolver, rifle, shotgun or other weapon that will expel or that
19 is designed to or may readily be converted to expel a solid projectile by
20 the action of expanding gases.

21 ~~[5. "FIREARM RETAILER" MEANS ANY PERSON OR COVERED ENTITY THAT IS~~
22 ~~BOTH OF THE FOLLOWING:~~

23 ~~(a) PHYSICALLY LOCATED IN THIS STATE.~~

24 ~~(b) ENGAGED IN THE LAWFUL SELLING OR TRADING OF FIREARMS, ANTIQUE~~
25 ~~FIREARMS OR AMMUNITION.~~

26 ~~[6. "GOVERNMENT ENTITY" MEANS THIS STATE OR ANY POLITICAL~~
27 ~~SUBDIVISION OF THIS STATE, INCLUDING ANY BOARD, GOVERNMENTAL BODY, AGENCY~~
28 ~~OR INSTRUMENTALITY OF THIS STATE.]~~

29 ~~[13. "GUN INDUSTRY MEMBER" MEANS A PERSON, FIRM, CORPORATION,~~
30 ~~COMPANY, PARTNERSHIP, SOCIETY, JOINT STOCK COMPANY OR ANY OTHER ENTITY OR~~
31 ~~ASSOCIATION ENGAGED IN THE SALE, MANUFACTURING, DISTRIBUTION, IMPORTING OR~~
32 ~~MARKETING OF FIREARMS, AMMUNITION, AMMUNITION MAGAZINES OR FIREARMS~~
33 ~~ACCESSORIES AND INCLUDES A PARENT COMPANY THAT OWNS, IN WHOLE OR IN PART,~~
34 ~~MORE THAN ONE BRANCH LOCATION THAT OPERATES AS A DEALER IN THIS STATE.~~

35 14. "MANUFACTURER" MEANS A PERSON WHO POSSESSES A FEDERAL FIREARMS
36 LICENSE TO ENGAGE IN THE BUSINESS OF MANUFACTURING FIREARMS OR AMMUNITION
37 FOR SALE OR DISTRIBUTION.]

38 ~~[7. "MERCHANT CATEGORY CODE" MEANS A CODE THAT IS BOTH OF THE~~
39 ~~FOLLOWING:~~

40 ~~(a) APPROVED BY AN INTERNATIONAL ORGANIZATION FOR STANDARDIZATION~~
41 ~~OR AN EQUIVALENT SUCCESSOR ORGANIZATION SPECIFICALLY FOR FIREARM~~
42 ~~RETAILERS.~~

43 ~~(b) ASSIGNED TO A RETAILER BASED ON THE TYPES OF GOOD AND SERVICES~~
44 ~~THE RETAILER OFFERS TO A CUSTOMER.]~~

45 ~~[15. "PARENT COMPANY" MEANS A BUSINESS THAT SELLS FIREARMS THROUGH~~
46 ~~BRANCH LOCATIONS AND THAT HAS A STATE PERMIT TO SELL FIREARMS.]~~

1 ~~[8. "PAYMENT CARD" MEANS A CREDIT CARD, CHARGE CARD OR DEBIT CARD~~
2 ~~OR ANY OTHER CARD THAT IS ISSUED TO A CUSTOMER AND THAT ALLOWS THE~~
3 ~~CUSTOMER TO PURCHASE GOODS OR SERVICES FROM A MERCHANT.~~
4 ~~9. "PAYMENT CARD NETWORK" MEANS ANY COVERED ENTITY, OR AGENT OF THE~~
5 ~~COVERED ENTITY, THAT DOES BOTH OF THE FOLLOWING:~~
6 ~~(a) PROVIDES THE PROPRIETARY SERVICES, INFRASTRUCTURE AND SOFTWARE~~
7 ~~TO CONDUCT DEBIT CARD OR CREDIT CARD TRANSACTION AUTHORIZATIONS,~~
8 ~~CLEARANCES AND SETTLEMENTS.~~
9 ~~(b) ACCEPTS AS A FORM OF PAYMENT A BRAND OF DEBIT CARD, CREDIT CARD~~
10 ~~OR OTHER DEVICE THAT MAY BE USED TO CARRY OUT DEBIT OR CREDIT~~
11 ~~TRANSACTIONS.~~
12 ~~10. "PAYMENT CARD TRANSACTION" MEANS ANY TRANSACTION IN WHICH A~~
13 ~~PAYMENT CARD IS ACCEPTED AS PAYMENT.~~
14 ~~11.] [16.] "PERSON" MEANS A NATURAL PERSON.~~
15 ~~[17. "PISTOL CONVERTER" MEANS ANY DEVICE OR INSTRUMENT THAT, WHEN~~
16 ~~INSTALLED IN OR ATTACHED TO THE SLIDE OF A SEMI-AUTOMATIC PISTOL,~~
17 ~~INTERFERES WITH THE TRIGGER MECHANISM AND ENABLES THE PISTOL TO DISCHARGE~~
18 ~~A NUMBER OF SHOTS OR BULLETS RAPIDLY OR AUTOMATICALLY WITH ONE CONTINUOUS~~
19 ~~PULL OF THE TRIGGER.]~~
20 ~~2.] [12.] [18.] "Private party" means a person who is not a~~
21 ~~prohibited possessor under state or federal law and does not include a~~
22 ~~person who possesses a federal firearms license and who primarily engages~~
23 ~~in the business of selling, trading or purchasing firearms.~~
24 ~~[19. "PROPOSED TRANSFEREE" MEANS AN UNLICENSED PERSON TO WHOM A~~
25 ~~PROPOSED TRANSFEROR INTENDS TO SELL OR TRANSFER A FIREARM.~~
26 ~~20. "PROPOSED TRANSFEROR" MEANS AN UNLICENSED PERSON WHO INTENDS TO~~
27 ~~SELL OR TRANSFER A FIREARM TO ANOTHER UNLICENSED PERSON.~~
28 ~~21. "QUALIFIED PRODUCT" MEANS A FIREARM, INCLUDING ANY ANTIQUE~~
29 ~~FIREARM, AMMUNITION AND A COMPONENT PART OF A FIREARM OR AMMUNITION.~~
30 ~~22. "REASONABLE CONTROLS AND PROCEDURES" INCLUDES:~~
31 ~~(a) INSTITUTING SCREENING, SECURITY, INVENTORY AND OTHER BUSINESS~~
32 ~~PRACTICES TO PREVENT THEFT OF QUALIFIED PRODUCTS AS WELL AS SALE OF~~
33 ~~QUALIFIED PRODUCTS TO STRAW PURCHASERS, TRAFFICKERS, PERSONS PROHIBITED~~
34 ~~FROM POSSESSING FIREARMS UNDER STATE OR FEDERAL LAW OR PERSONS AT RISK OF~~
35 ~~INJURING THEMSELVES OR OTHERS.~~
36 ~~(b) PREVENTING DECEPTIVE ACTS AND PRACTICES AND FALSE ADVERTISING~~
37 ~~AND OTHERWISE ENSURING COMPLIANCE WITH THE PROVISIONS OF CHAPTER 10,~~
38 ~~ARTICLES 5 AND 7 OF THIS TITLE.~~
39 ~~(c) TAKING REASONABLE STEPS TO PREVENT THE INSTALLATION AND USE OF~~
40 ~~A PISTOL CONVERTER ON QUALIFIED PRODUCTS.~~
41 ~~23. "RECOVERED FIREARM" MEANS ANY FIREARM SEIZED, TAKEN INTO~~
42 ~~CUSTODY OR UNDER INVESTIGATION BY LAW ENFORCEMENT THAT WAS UNLAWFULLY~~
43 ~~POSSESSED, USED FOR ANY UNLAWFUL PURPOSE, RECOVERED FROM THE SCENE OF A~~
44 ~~CRIME, REASONABLY BELIEVED TO HAVE BEEN USED OR ASSOCIATED WITH THE~~
45 ~~COMMISSION OF A CRIME OR ABANDONED, LOST OR DISCARDED.~~
46 ~~24. "STATE PERMIT" MEANS THE STATE FIREARMS DEALER PERMIT REQUIRED~~
47 ~~PURSUANT TO THIS CHAPTER.]~~

1 ~~E. THE ATTORNEY GENERAL OR COUNTY ATTORNEY HAS EXCLUSIVE AUTHORITY~~
2 ~~TO ENFORCE THIS SECTION. THE REMEDIES SET FORTH IN SUBSECTION D OF THIS~~
3 ~~SECTION ARE THE EXCLUSIVE REMEDIES FOR ANY VIOLATION OF THIS SECTION.~~

4 ~~F. IT IS A DEFENSE TO ANY PROCEEDING THAT IS INITIATED PURSUANT TO~~
5 ~~THIS SECTION THAT A MERCHANT CATEGORY CODE WAS REQUIRED BY LAW.>>~~

6 <<Sec. 2. Title 44, chapter 36, article 1, Arizona Revised
7 Statutes, is amended by adding sections 44-7853, 44-7854, 44-7855,
8 44-7856, 44-7857, 44-7858, 44-7859, 44-7860, 44-7861, 44-7862, 44-7863,
9 44-7864, 44-7865, 44-7866, 44-7867, 44-7868, 44-7869, 44-7870, 44-7871 and
10 44-7872, to read:

11 44-7853. Permit required; firearm dealer permit cash fund;
12 rules; violation; classification

13 [A. A DEALER MUST POSSESS A STATE PERMIT ISSUED BY THE DEPARTMENT
14 IN ORDER TO ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS IN THIS
15 STATE. A PERSON SHALL OBTAIN A STATE PERMIT FOR EACH LOCATION IN WHICH
16 THE PERSON IS ENGAGED IN THE BUSINESS OF DEALING FIREARMS IN THIS
17 STATE. A DEALER SHALL CARRY A GENERAL LIABILITY INSURANCE POLICY
18 PROVIDING AT LEAST \$1,000,000 OF COVERAGE PER INCIDENT. A STATE PERMIT
19 ISSUED PURSUANT TO THIS SECTION IS NOT TRANSFERRABLE.

20 B. THE FIREARM DEALER PERMIT CASH FUND IS ESTABLISHED CONSISTING OF
21 LEGISLATIVE APPROPRIATIONS AND FEES DEPOSITED PURSUANT TO THIS SECTION.
22 THE DEPARTMENT SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE
23 CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT AND SHALL BE USED TO COVER THE
24 COSTS OF ISSUING PERMITS, CONDUCTING INSPECTIONS, PREPARING REPORTS AND
25 OTHER REQUIREMENTS OF THIS CHAPTER.

26 C. THE DEPARTMENT SHALL CHARGE A FEE OF \$250 FOR EACH STATE PERMIT
27 ISSUED PURSUANT TO THIS SECTION. THE DEPARTMENT MAY ANNUALLY ADJUST THE
28 FEE BASED ON THE DEPARTMENT'S COSTS FOR ADMINISTERING THIS SECTION. THE
29 DEPARTMENT SHALL DEPOSIT THE FEES COLLECTED PURSUANT TO THIS SUBSECTION IN
30 THE FIREARM DEALER PERMIT CASH FUND ESTABLISHED BY SUBSECTION B OF THIS
31 SECTION.

32 D. A PERSON APPLYING FOR A STATE PERMIT PURSUANT TO THIS SECTION
33 MUST COMPLETE AN APPLICATION AS PROVIDED BY DEPARTMENT RULE AND PAY THE
34 APPLICATION FEE ESTABLISHED BY THE DEPARTMENT. THE DEPARTMENT SHALL
35 REQUIRE AN APPLICANT TO SUBMIT TO FINGERPRINTING AND A BACKGROUND CHECK.
36 THE APPLICANT SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINTING AND
37 BACKGROUND CHECK.

38 E. THE DEPARTMENT SHALL ISSUE A STATE PERMIT TO AN APPLICANT THAT
39 MEETS ALL OF THE FOLLOWING:

- 40 1. IS AT LEAST TWENTY-ONE YEARS OF AGE.
- 41 2. HAS BEEN GRANTED AND HOLDS A VALID FEDERAL FIREARMS LICENSE.
- 42 3. POSSESSES EVERY PERMIT OR LICENSE REQUIRED BY THE LOCAL
43 GOVERNING BODY WHERE THE PERSON IS DEALING FIREARMS.
- 44 4. IS NOT PROHIBITED FROM POSSESSING OR PURCHASING A FIREARM UNDER
45 STATE OR FEDERAL LAW.
- 46 5. HAS NOT HAD A LICENSE OR PERMIT TO SELL, LEASE, TRANSFER,
47 PURCHASE OR POSSESS A FIREARM OR AMMUNITION FROM THE FEDERAL GOVERNMENT.

1 ANY STATE, OR A SUBDIVISION OF ANY STATE, REVOKED OR DENIED BEFORE
2 SUBMITTING AN APPLICATION, EXCEPT THAT IF A PERIOD OF TEN YEARS HAS
3 ELAPSED FROM THE DATE OF THE REVOCATION OR DENIAL, THE DEPARTMENT MAY
4 WAIVE THIS REQUIREMENT FOR GOOD CAUSE.

5 6. HAS NOT BEEN CONVICTED OF A VIOLATION OF ANY FEDERAL LAW OR THE
6 LAW OF ANY STATE CONCERNING THE POSSESSION, PURCHASE, SALE, TRANSPORT OR
7 CARRYING OF FIREARMS, UNLESS A PERIOD OF TEN YEARS HAS ELAPSED FROM THE
8 DATE OF THE CONVICTION.

9 7. BASED ON AN INVESTIGATION CONDUCTED BY THE DEPARTMENT OR A LOCAL
10 LAW ENFORCEMENT AGENCY IN COORDINATION WITH THE DEPARTMENT, HAS NOT
11 EXHIBITED OR ENGAGED IN BEHAVIOR THAT, IN THE DEPARTMENT'S DETERMINATION,
12 INDICATES THAT, IF ISSUED A STATE PERMIT, THE APPLICANT IS LIKELY TO POSE
13 A DANGER TO THE PUBLIC HEALTH, SAFETY OR WELFARE.

14 F. A PERSON WHO HAS APPLIED FOR A FEDERAL FIREARMS LICENSE MAY
15 APPLY FOR A STATE PERMIT PRIOR TO BEING ISSUED A FEDERAL FIREARMS LICENSE.
16 THE DEPARTMENT MAY NOT ISSUE A STATE PERMIT TO THE PERSON UNTIL THE PERSON
17 HOLDS A VALID FEDERAL FIREARMS LICENSE.

18 G. THE DEPARTMENT SHALL ACT ON A STATE PERMIT APPLICATION MADE
19 PURSUANT TO THIS SECTION NOT LATER THAN NINETY DAYS AFTER THE DATE THE
20 APPLICATION IS RECEIVED, EXCEPT THAT:

21 1. FOR GOOD CAUSE, THE DEPARTMENT MAY EXTEND THE DEADLINE TO ACT
22 FOR AN ADDITIONAL NINETY DAYS.

23 2. IF A PERSON APPLIES FOR A STATE PERMIT WHILE THE PERSON'S
24 APPLICATION FOR A FEDERAL FIREARMS LICENSE IS PENDING, THE DEPARTMENT MAY
25 EXTEND THE DEADLINE TO ACT UNTIL FOURTEEN DAYS AFTER THE PERSON NOTIFIES
26 THE DEPARTMENT THAT THE PERSON HAS BEEN ISSUED AND HOLDS A VALID FEDERAL
27 FIREARMS LICENSE.

28 H. A STATE PERMIT ISSUED PURSUANT TO THIS SECTION IS VALID FOR ONE
29 YEAR. THE DEPARTMENT MAY NOT ACCEPT A RENEWAL APPLICATION SUBMITTED AFTER
30 THE EXPIRATION OF THE DEALER'S STATE PERMIT. NINETY DAYS BEFORE THE
31 EXPIRATION OF A STATE PERMIT, THE DEPARTMENT SHALL NOTIFY THE DEALER OF
32 THE PERMIT EXPIRATION DATE. A DEALER MAY APPLY FOR RENEWAL OF A STATE
33 PERMIT AT ANY TIME DURING THE NINETY DAY PERIOD BEFORE THE EXPIRATION OF
34 THE STATE PERMIT. A DEALER THAT SUBMITS A TIMELY AND SUFFICIENT RENEWAL
35 APPLICATION MAY CONTINUE TO ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS
36 PURSUANT TO STATE LAW UNTIL THE DEPARTMENT HAS ACTED ON THE RENEWAL
37 APPLICATION. THE DEPARTMENT SHALL ACT ON A RENEWAL APPLICATION SUBMITTED
38 PURSUANT TO THIS SUBSECTION NOT LATER THAN NINETY DAYS AFTER THE DATE THE
39 APPLICATION IS RECEIVED. THE DEPARTMENT SHALL CONDUCT A BACKGROUND CHECK
40 ON THE DEALER BEFORE RENEWING A STATE PERMIT AND SHALL RENEW THE STATE
41 PERMIT IF THE DEALER CONTINUES TO MEET THE REQUIREMENTS FOR A STATE PERMIT
42 PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL CHARGE A \$200 RENEWAL FEE
43 FOR EACH PERMIT AND SHALL DEPOSIT THE MONIES IN THE FIREARM DEALER PERMIT
44 CASH FUND.

45 I. AT LEAST ONCE EACH YEAR, THE DEPARTMENT SHALL:

46 1. REQUEST A LIST OF FIREARM DEALERS LICENSED UNDER 18 UNITED
47 STATES CODE SECTION 923 WITH BUSINESS PREMISES IN THIS STATE FROM THE ATF

1 AND SHALL VERIFY THAT ALL FIREARM DEALERS ON THE LIST PROVIDED BY THE ATF
2 ARE IN COMPLIANCE WITH THE STATE PERMIT REQUIREMENTS OF THIS SECTION.

3 2. NOTIFY THE ATF OF ALL DEALERS LICENSED UNDER 18 UNITED STATES
4 CODE SECTION 923 WITH BUSINESS PREMISES IN THIS STATE WHO ARE NOT IN
5 COMPLIANCE WITH THE STATE PERMIT REQUIREMENTS OF THIS SECTION.

6 J. IF THE DEPARTMENT REVOKES A STATE PERMIT ISSUED TO A DEALER
7 PURSUANT TO THIS SECTION, THE DEALER MAY NOT ATTEMPT TO OBTAIN A STATE
8 PERMIT HELD UNDER A DIFFERENT BUSINESS NAME, OR TO RE-OPEN AS A DEALER
9 UNDER ANOTHER BUSINESS NAME USING THE SAME PERMIT OR AS THE SAME PERSON OR
10 ENTITY DOING BUSINESS UNDER A DIFFERENT BUSINESS NAME.

11 K. THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS
12 SECTION, INCLUDING ESTABLISHING THE PROCESS FOR APPLYING FOR AND OBTAINING
13 A STATE PERMIT, FINGERPRINTING AND CONDUCTING BACKGROUND CHECKS. THE
14 RULES SHALL REQUIRE THAT THE BACKGROUND CHECK PROCESS INCLUDE A CHECK OF
15 THE NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM AND ALL RELEVANT
16 STATE DATABASES. THE DEPARTMENT MAY NOT ADOPT RULES THAT ALTER THE
17 ELIGIBILITY CRITERIA FOR OBTAINING A STATE PERMIT, BUT THE DEPARTMENT MAY
18 REQUIRE ANY INFORMATION IT DEEMS NECESSARY TO VERIFY THE ELIGIBILITY OF AN
19 APPLICANT.

20 L. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1
21 MISDEMEANOR FOR A FIRST OFFENSE AND A CLASS 6 FELONY FOR A SECOND OR
22 SUBSEQUENT OFFENSE.]

23 44-7854. Employee background checks; rules

24 [A. A DEALER MAY NOT EMPLOY A PERSON WHO, IN THE COURSE OF THE
25 PERSON'S DUTIES, HANDLES FIREARMS, PROCESSES THE SALE OR TRANSFER OF
26 FIREARMS OR OTHERWISE HAS ACCESS TO FIREARMS, IF ANY OF THE FOLLOWING
27 APPLY:

28 1. THE PERSON IS UNDER TWENTY-ONE YEARS OF AGE.

29 2. THE PERSON IS PROHIBITED FROM POSSESSING OR PURCHASING A FIREARM
30 UNDER STATE OR FEDERAL LAW.

31 3. THE PERSON HAS HAD A LICENSE OR PERMIT TO SELL, LEASE, TRANSFER,
32 PURCHASE OR POSSESS A FIREARM OR AMMUNITION FROM THE FEDERAL GOVERNMENT,
33 ANY STATE, OR A POLITICAL SUBDIVISION OF ANY STATE, REVOKED OR DENIED,
34 EXCEPT THAT IF AT LEAST TEN YEARS HAVE ELAPSED FROM THE DATE OF THE
35 REVOCATION OR DENIAL, THE DEPARTMENT MAY WAIVE THE REQUIREMENT IN THIS
36 PARAGRAPH FOR GOOD CAUSE.

37 4. THE PERSON HAS BEEN CONVICTED OF A VIOLATION OF ANY FEDERAL LAW
38 OR THE LAW OF ANY STATE CONCERNING THE POSSESSION, PURCHASE, SALE,
39 TRANSPORT OR CARRYING OF FIREARMS, UNLESS AT LEAST TEN YEARS HAVE ELAPSED
40 FROM THE DATE OF THE CONVICTION.

41 5. BASED ON AN INVESTIGATION CONDUCTED BY THE DEPARTMENT OR A LOCAL
42 LAW ENFORCEMENT AGENCY IN COORDINATION WITH THE DEPARTMENT, THE PERSON HAS
43 EXHIBITED OR ENGAGED IN BEHAVIOR THAT, IN THE DEPARTMENT'S DETERMINATION,
44 INDICATES THAT, IF EMPLOYED BY A DEALER, THE APPLICANT IS LIKELY TO POSE A
45 DANGER TO THE PUBLIC HEALTH, SAFETY OR WELFARE.

46 B. TO DETERMINE WHETHER THE DEALER MAY EMPLOY A PERSON CONSISTENT
47 WITH THIS SECTION, THE DEALER SHALL REQUIRE A PROSPECTIVE EMPLOYEE TO

1 SUBMIT TO FINGERPRINTING AND A BACKGROUND CHECK. THE PERSON, OR THE
2 DEALER ON THE PERSON'S BEHALF, SHALL PAY THE COSTS ASSOCIATED WITH THE
3 FINGERPRINTING AND BACKGROUND CHECK. A DEALER SHALL ONLY ACCEPT THE
4 RESULTS OF A BACKGROUND CHECK COMPLETED WITHIN SEVEN DAYS BEFORE THE
5 EMPLOYEE'S FIRST DAY OF WORK. AN EMPLOYEE SHALL SUBMIT TO A BACKGROUND
6 CHECK AT LEAST ONCE EACH CALENDAR YEAR.

7 C. THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS
8 SECTION, INCLUDING ESTABLISHING THE PROCESS FOR FINGERPRINTING AND
9 CONDUCTING BACKGROUND CHECKS. THE RULES SHALL REQUIRE THAT THE BACKGROUND
10 CHECK PROCESS INCLUDE A CHECK OF THE NATIONAL INSTANT CRIMINAL BACKGROUND
11 CHECK SYSTEM, IF THE SYSTEM IS MADE AVAILABLE BY THE FEDERAL BUREAU OF
12 INVESTIGATION, AND ALL RELEVANT STATE DATABASES, AND SHALL ALSO REQUIRE
13 THE DEPARTMENT TO SEND A NOTICE TO THE DEALER FOLLOWING EACH BACKGROUND
14 CHECK CONDUCTED PURSUANT TO THIS SECTION INDICATING WHETHER THE
15 PROSPECTIVE EMPLOYEE OR CURRENT EMPLOYEE IS QUALIFIED FOR EMPLOYMENT. THE
16 DEPARTMENT MAY NOT ADOPT RULES THAT ALTER THE ELIGIBILITY CRITERIA FOR
17 EMPLOYMENT, BUT THE DEPARTMENT MAY COLLECT ANY INFORMATION IT DEEMS
18 NECESSARY TO VERIFY THE ELIGIBILITY OF A PROSPECTIVE EMPLOYEE OR CURRENT
19 EMPLOYEE.

20 D. A DEALER SHALL MAINTAIN A COPY OF EACH NOTICE DELIVERED TO THE
21 DEALER PURSUANT TO THIS SECTION FOR THE DURATION OF THE PERSON'S
22 EMPLOYMENT AND SHALL MAKE EACH NOTICE AVAILABLE TO THE DEPARTMENT DURING
23 AN ON-SITE INSPECTION OF THE DEALER'S PLACE OF BUSINESS. EACH YEAR, A
24 DEALER SHALL PROVIDE CERTIFICATION TO THE DEPARTMENT, IN THE FORM
25 PRESCRIBED BY THE DEPARTMENT, THAT ALL APPLICABLE EMPLOYEES HAVE COMPLETED
26 THE BACKGROUND CHECK REQUIREMENT PURSUANT TO THIS SECTION.]

27 44-7855. Training; dealers; employees

28 [A. THE DEPARTMENT SHALL DEVELOP TRAINING COURSES FOR DEALERS AND
29 EMPLOYEES OF DEALERS. THE TRAINING MUST INCLUDE AN EXAMINATION WITH AT
30 LEAST FIFTY QUESTIONS DERIVED FROM THE COURSE MATERIAL AND INTENDED TO
31 CONFIRM THAT A COURSE PARTICIPANT UNDERSTANDS THE INFORMATION COVERED IN
32 THE COURSE. THE DEPARTMENT SHALL GIVE A PARTICIPANT WHO ANSWERS AT LEAST
33 EIGHTY PERCENT OF THE EXAMINATION QUESTIONS CORRECTLY A PRINTABLE
34 CERTIFICATE OF COMPLETION THAT IS VALID FOR ONE YEAR AFTER THE DATE OF
35 COMPLETION. THE DEPARTMENT SHALL OFFER THE TRAINING COURSE IN-PERSON AT
36 LEAST QUARTERLY AND SHALL OFFER THE TRAINING COURSE IN AN ONLINE FORMAT.
37 THE TRAINING MUST INCLUDE INSTRUCTION REGARDING THE FOLLOWING:

38 1. FEDERAL AND STATE LAWS GOVERNING THE SALE AND TRANSFER OF
39 FIREARMS AND AMMUNITION.

40 2. RECOGNIZING AND IDENTIFYING STRAW PURCHASERS AND FRAUDULENT
41 ACTIVITY, INCLUDING:

42 (a) IDENTIFYING INDICATORS OF STRAW PURCHASING AND TRAFFICKING,
43 INCLUDING A PROSPECTIVE FIREARM PURCHASER WHO IS ACCOMPANIED BY ONE OR
44 MORE INDIVIDUALS, IS COMMUNICATING WITH OTHER INDIVIDUALS BY TELEPHONE OR
45 OTHER MEANS ABOUT THE PURCHASE, HAS BEEN THE SUBJECT OF A TRACE WITH A
46 SHORT TIME BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE THE FIREARM
47 WAS USED IN A CRIME, DISPLAYS MINIMAL KNOWLEDGE OF THE FIREARM THEY ARE

1 ATTEMPTING TO PURCHASE, MAKING STATEMENTS THAT ARE NOT CONSISTENT WITH THE
2 TYPE OF FIREARM BEING PURCHASED, APPEARS TO HAVE A LIST OR PICTURES OF THE
3 FIREARMS, UTILIZES LARGE AMOUNTS OF CASH AS PAYMENT, UTILIZES A CREDIT
4 CARD IN SOMEONE ELSE'S NAME, SHOWS LITTLE INTEREST IN ACQUIRING AMMUNITION
5 SUITABLE FOR THE FIREARM OR OTHERWISE INDICATES THAT A FIREARM IS BEING
6 OBTAINED FOR ANOTHER PERSON.
7 (b) STRATEGIES FOR IDENTIFYING MULTIPLE SALES THAT MAY BE
8 INDICATORS OF STRAW PURCHASING OR TRAFFICKING.
9 (c) ASKING CUSTOMERS APPROPRIATE QUESTIONS TO DETERMINE IF THEY MAY
10 BE A STRAW PURCHASER OR TRAFFICKER.
11 (d) DETERMINING WHEN TO DECLINE A SALE.
12 3. INDICATORS THAT A PERSON IS OTHERWISE ATTEMPTING TO PURCHASE A
13 FIREARM ILLEGALLY.
14 4. RECOGNIZING AND IDENTIFYING INDICATORS THAT AN INDIVIDUAL
15 INTENDS TO USE A FIREARM FOR UNLAWFUL PURPOSES.
16 5. RECOGNIZING AND IDENTIFYING INDICATORS THAT AN INDIVIDUAL
17 INTENDS TO USE A FIREARM FOR SELF-HARM.
18 6. PREVENTING THEFT OR BURGLARY OF FIREARMS AND AMMUNITION.
19 7. RESPONDING TO CIRCUMSTANCES DESCRIBED IN PARAGRAPHS 1 THROUGH 6
20 OF THIS SUBSECTION.
21 8. RECORDKEEPING AND REPORTING REQUIREMENTS REQUIRED BY THIS
22 CHAPTER.
23 9. EFFECTIVELY TEACHING CONSUMERS RULES OF FIREARM SAFETY,
24 INCLUDING THE SAFE HANDLING AND STORAGE OF FIREARMS.
25 10. ANY OTHER REASONABLE BUSINESS PRACTICES THAT THE DEPARTMENT
26 DETERMINES WILL DETER STRAW PURCHASING, FIREARM TRAFFICKING OR THE
27 UNLAWFUL USE OF FIREARMS.
28 B. A DEALER SHALL COMPLETE THE TRAINING COURSE DEVELOPED BY THE
29 DEPARTMENT PURSUANT TO THIS SECTION IN-PERSON WITHIN NINETY DAYS AFTER THE
30 DATE THE STATE PERMIT IS FIRST ISSUED AND IN-PERSON OR ONLINE EACH YEAR
31 THEREAFTER.
32 C. AN EMPLOYEE OF A DEALER WHO, IN THE COURSE OF THE EMPLOYEE'S
33 DUTIES, HANDLES FIREARMS, PROCESSES THE SALE OR TRANSFER OF FIREARMS, OR
34 OTHERWISE HAS ACCESS TO FIREARMS SHALL COMPLETE THE TRAINING COURSE
35 DEVELOPED BY THE DEPARTMENT PURSUANT TO THIS SECTION IN-PERSON WITHIN
36 NINETY DAYS AFTER THE EMPLOYEE'S FIRST DAY OF WORK FOR THE DEALER UNLESS
37 THE EMPLOYEE PROVIDES THE DEPARTMENT WITH INFORMATION DEMONSTRATING GOOD
38 CAUSE TO BE PERMITTED TO COMPLETE THE TRAINING COURSE ONLINE, IN WHICH
39 CASE THE DEPARTMENT MAY PERMIT THE EMPLOYEE TO CONDUCT THE TRAINING COURSE
40 ONLINE, AND IN-PERSON OR ONLINE EACH YEAR THEREAFTER.
41 D. A DEALER SHALL PERMANENTLY MAINTAIN THE TRAINING RECORDS OF EACH
42 EMPLOYEE AND SHALL MAKE THE RECORDS AVAILABLE TO THE DEPARTMENT DURING AN
43 ON-SITE INSPECTION OF THE DEALER'S PLACE OF BUSINESS OR ON REQUEST BY THE
44 DEPARTMENT. EACH YEAR, A DEALER SHALL PROVIDE CERTIFICATION TO THE
45 DEPARTMENT, IN THE FORM PRESCRIBED BY THE DEPARTMENT, THAT THE DEALER AND
46 ALL APPLICABLE EMPLOYEES HAVE COMPLETED THE TRAINING REQUIRED PURSUANT TO
47 THIS SECTION.]

1 44-7856. Physical security; secure storage
2 [A. A DEALER SHALL DO ALL OF THE FOLLOWING:
3 1. ANY TIME THE DEALER IS NOT OPEN FOR BUSINESS, ENSURE THAT EVERY
4 FIREARM IS STORED UNLOADED AND SEPARATE FROM AMMUNITION, AND IS STORED OR
5 SECURED IN ONE OF THE FOLLOWING WAYS IN A LOCATION WHERE FIREARMS ARE NOT
6 READILY VISIBLE FROM OUTSIDE THE BUSINESS PREMISES:
7 (a) STORED IN A LOCKED FIREPROOF SAFE OR VAULT IN THE DEALER'S
8 PREMISES.
9 (b) SECURED WITH A HARDENED STEEL ROD OR CABLE THROUGH THE TRIGGER
10 SECURED WITH A HARDENED STEEL LOCK THAT HAS A SHACKLE WITH THE LOCK AND
11 SHACKLE PROTECTED OR SHIELDED FROM THE USE OF A BOLT CUTTER AND THE ROD OR
12 CABLE ANCHORED IN A MANNER THAT PREVENTS REMOVAL OF THE FIREARM FROM THE
13 PREMISES.
14 2. EXCEPT IN THE IMMEDIATE PRESENCE OF AND UNDER THE DIRECT
15 SUPERVISION OF THE DEALER OR AN EMPLOYEE OF THE DEALER WHOSE DUTIES
16 INCLUDE FIREARM SALES, ANY TIME THE DEALER IS OPEN FOR BUSINESS, ENSURE
17 THAT EVERY FIREARM IS UNLOADED, INACCESSIBLE TO THE PUBLIC, AND STORED OR
18 SECURED IN ONE OF THE FOLLOWING WAYS IN A LOCATION WHERE FIREARMS ARE NOT
19 READILY VISIBLE FROM OUTSIDE THE BUSINESS PREMISES:
20 (a) STORED IN A LOCKED CASE SO THAT A CUSTOMER SEEKING ACCESS TO
21 THE FIREARM MUST ASK THE DEALER OR AN EMPLOYEE OF THE DEALER FOR
22 ASSISTANCE.
23 (b) STORED IN A LOCKED FIREPROOF SAFE OR VAULT IN THE DEALER'S
24 PREMISES.
25 (c) SECURED WITH A HARDENED STEEL ROD OR CABLE THROUGH THE TRIGGER
26 SECURED WITH A HARDENED STEEL LOCK THAT HAS A SHACKLE WITH THE LOCK AND
27 SHACKLE PROTECTED OR SHIELDED FROM THE USE OF A BOLT CUTTER AND THE ROD OR
28 CABLE ANCHORED IN A MANNER THAT PREVENTS REMOVAL OF THE FIREARM FROM THE
29 PREMISES.
30 3. EXCEPT IN THE IMMEDIATE PRESENCE OF AND UNDER THE DIRECT
31 SUPERVISION OF THE DEALER OR AN EMPLOYEE OF THE DEALER WHOSE DUTIES
32 INCLUDE FIREARM SALES, ANY TIME THE DEALER IS OPEN FOR BUSINESS, ENSURE
33 THAT ALL AMMUNITION IS STORED SEPARATELY FROM FIREARMS AND IN A MANNER
34 THAT THE AMMUNITION IS INACCESSIBLE TO THE PUBLIC AND SECURED WITHIN A
35 LOCKED CASE SO THAT A CUSTOMER SEEKING ACCESS TO THE AMMUNITION MUST ASK
36 THE DEALER OR AN EMPLOYEE OF THE DEALER FOR ASSISTANCE.
37 4. ENSURE THAT BARS, SECURITY SCREENS, COMMERCIAL GRADE METAL
38 DOORS, GRATES OR OTHER PHYSICAL BARRIERS APPROVED BY THE DEPARTMENT AND
39 DESIGNED TO PREVENT UNAUTHORIZED ENTRY ARE INSTALLED ON ALL EXTERIOR DOORS
40 AND WINDOWS OF ALL BUILDINGS ON THE PREMISES WHERE FIREARMS ARE STORED.
41 5. ENSURE THE PREMISES IS EQUIPPED WITH PHYSICAL BARRIERS DESIGNED
42 TO PREVENT THE USE OF MOTOR VEHICLES TO BREACH ALL BUILDINGS WHERE
43 FIREARMS ARE STORED.
44 6. ENSURE THE EXTERIOR OF THE PREMISES IS EQUIPPED WITH LIGHTING
45 THAT PROVIDES ENOUGH ILLUMINATION TO ALLOW AN INDIVIDUAL TO SAFELY ENTER
46 THE PREMISES, EXIT THE PREMISES AND TRAVERSE TO THE INDIVIDUAL'S VEHICLE.]

1 44-7857. Video surveillance

2 [A. A DEALER SHALL ENSURE THAT ITS BUSINESS PREMISES ARE MONITORED
3 BY A DIGITAL VIDEO SURVEILLANCE SYSTEM THAT MEETS ALL OF THE FOLLOWING
4 REQUIREMENTS:

5 1. THE SYSTEM SHALL CLEARLY RECORD COLOR IMAGES AND, FOR SYSTEMS
6 LOCATED INSIDE THE PREMISES, AUDIO OF THE AREA UNDER SURVEILLANCE.

7 2. EACH CAMERA SHALL BE PERMANENTLY MOUNTED IN A FIXED LOCATION AND
8 CAMERAS SHALL BE PLACED IN LOCATIONS THAT ALLOW THE CAMERA TO CLEARLY
9 RECORD ACTIVITY OCCURRING IN ALL AREAS OF THE BUSINESS PREMISES SPECIFIED
10 IN SUBSECTION B OF THIS SECTION AND CLEARLY IDENTIFY EACH PERSON PRESENT.

11 B. THE AREAS RECORDED SHALL INCLUDE ALL OF THE FOLLOWING:

12 1. INTERIOR VIEWS OF ALL ENTRIES AND EXITS TO THE PREMISES.

13 2. ALL AREAS WHERE FIREARMS OR AMMUNITION ARE DISPLAYED, STORED,
14 HANDLED OR CARRIED.

15 3. ALL POINTS OF SALE OR TRANSFER, SUFFICIENT TO IDENTIFY THE
16 PARTIES INVOLVED IN THE TRANSACTION.

17 4. ALL PARKING LOTS ADJACENT TO THE PREMISES.

18 C. THE SYSTEM SHALL CONTINUOUSLY RECORD TWENTY-FOUR HOURS PER DAY
19 AT A FRAME RATE NOT LESS THAN FIFTEEN FRAMES PER SECOND. THE MEDIA OR
20 DEVICE ON WHICH RECORDINGS ARE STORED SHALL BE SECURED IN A MANNER TO
21 PROTECT THE RECORDING FROM TAMPERING, UNAUTHORIZED ACCESS OR USE OR THEFT.
22 THE SYSTEM SHALL BE EQUIPPED WITH A FAILURE NOTIFICATION SYSTEM THAT
23 PROVIDES NOTIFICATION TO THE DEALER OF ANY INTERRUPTION OR FAILURE OF THE
24 SYSTEM OR STORAGE DEVICE. RECORDED IMAGES SHALL CLEARLY AND ACCURATELY
25 DISPLAY THE DATE AND TIME. THE SYSTEM SHALL PRODUCE RETRIEVABLE AND
26 IDENTIFIABLE IMAGES AND VIDEO RECORDINGS ON MEDIA APPROVED BY THE
27 DEPARTMENT THAT CAN BE ENLARGED THROUGH PROJECTION OR OTHER MEANS AND CAN
28 BE MADE A PERMANENT RECORD FOR USE IN A CRIMINAL INVESTIGATION. THE
29 SYSTEM SHALL BE CAPABLE OF DELINEATING ON PLAYBACK THE ACTIVITY AND
30 PHYSICAL FEATURES OF INDIVIDUALS OR AREAS WITHIN THE PREMISES.

31 D. RECORDINGS SHALL BE MAINTAINED FOR A MINIMUM OF THREE YEARS AND
32 SHALL BE MADE AVAILABLE FOR INSPECTION BY FEDERAL, STATE OR LOCAL LAW
33 ENFORCEMENT ON REQUEST.

34 E. THE DEALER SHALL INSPECT THE SYSTEM NOT LESS THAN ONCE EACH WEEK
35 TO ENSURE IT IS FUNCTIONING PROPERLY AND IMAGES ARE BEING RECORDED AND
36 RETAINED AS REQUIRED. IF THE SYSTEM BECOMES INOPERABLE, THE DEALER SHALL
37 REPAIR OR REPLACE THE SYSTEM NOT LATER THAN SEVEN CALENDAR DAYS AFTER THE
38 SYSTEM BECOMES INOPERABLE.

39 F. THE VIDEO SURVEILLANCE SYSTEM IS SUBJECT TO INSPECTION BY THE
40 DEPARTMENT AT ANY TIME. EACH YEAR, A DEALER SHALL PROVIDE CERTIFICATION
41 TO THE DEPARTMENT, IN A FORM PRESCRIBED BY THE DEPARTMENT, THAT ITS VIDEO
42 SURVEILLANCE SYSTEM IS IN PROPER WORKING ORDER.

43 G. THE DEALER SHALL POST A SIGN IN A CONSPICUOUS PLACE AT EACH
44 ENTRANCE TO THE PREMISES THAT STATES IN BLOCK LETTERS NOT LESS THAN ONE
45 INCH IN HEIGHT THAT CONTAINS THE FOLLOWING LANGUAGE:

46 "THESE PREMISES ARE UNDER VIDEO AND AUDIO SURVEILLANCE. YOUR IMAGE
47 AND CONVERSATIONS MAY BE RECORDED."]

1 44-7858. Alarm monitoring system

2 [A. A DEALER SHALL ENSURE THAT ITS BUSINESS PREMISES ARE MONITORED
3 BY AN ALARM MONITORING SYSTEM OR SERVICE THAT CONTAINS ALL OF THE
4 FOLLOWING:

5 1. MONITORING BY A REMOTE CENTRAL STATION THAT WILL NOTIFY THE
6 DEALER AND THE LOCAL LAW ENFORCEMENT AGENCY OF AN UNAUTHORIZED INTRUSION
7 INTO THE PREMISES OF THE DEALER WHERE FIREARMS ARE STORED.

8 2. COVERAGE OF CRITICAL AREAS OF THE PREMISES, INCLUDING ALL
9 ENTRANCES, EXITS, EXTERIOR WINDOWS, ROOF HATCHES, SKYLIGHTS AND AREAS
10 WHERE FIREARMS ARE DISPLAYED, STORED, HANDLED, CARRIED, SOLD OR
11 TRANSFERRED.

12 3. MONITORING OF THE DETECTION OF ENTRY, MOTION, SOUND, GLASS
13 BREAKAGE AND ANY FAILURE IN THE ALARM SYSTEM.

14 4. THE ABILITY TO REMAIN OPERATIONAL DURING A POWER OUTAGE IF ALL
15 ACCESS DOORS ARE SOLELY CONTROLLED BY AN ELECTRONIC ACCESS PANEL SO THAT
16 LOCKS ARE NOT RELEASED DURING A POWER OUTAGE.

17 B. THE DEALER SHALL TEST THE SYSTEM AT LEAST ONCE EACH WEEK TO
18 ENSURE IT IS FUNCTIONING PROPERLY. IF THE SYSTEM BECOMES INOPERABLE, THE
19 DEALER SHALL REPAIR OR REPLACE THE SYSTEM NOT LATER THAN SEVEN CALENDAR
20 DAYS AFTER THE SYSTEM BECOMES INOPERABLE. THE ALARM SYSTEM IS SUBJECT TO
21 INSPECTION BY THE DEPARTMENT AT ANY TIME.

22 C. EACH YEAR, A DEALER SHALL PROVIDE CERTIFICATION TO THE
23 DEPARTMENT, IN A FORM PRESCRIBED BY THE DEPARTMENT, THAT THE DEALER'S
24 ALARM MONITORING SYSTEM IS IN PROPER WORKING ORDER.]

25 44-7859. Secure storage device

26 [A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION, A DEALER OR
27 A DEALER'S EMPLOYEE MAY NOT SELL OR TRANSFER A FIREARM IN THIS STATE
28 UNLESS THE SALE OR TRANSFER INCLUDES ONE OF THE FOLLOWING:

29 1. A COMMERCIALY AVAILABLE TRIGGER LOCK OR OTHER DEVICE DESIGNED
30 TO DISABLE THE FIREARM AND PREVENT THE DISCHARGE OF THE FIREARM.

31 2. A COMMERCIALY AVAILABLE GUN CASE OR STORAGE CONTAINER THAT CAN
32 BE SECURED TO PREVENT UNAUTHORIZED ACCESS TO THE FIREARM.

33 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO:

34 1. THE SALE OR TRANSFER OF AN ANTIQUE FIREARM AS DEFINED IN 18
35 UNITED STATES CODE SECTION 921.

36 2. THE SALE OR TRANSFER OF A CURIO OR RELIC AS DEFINED IN 27 CODE
37 OF FEDERAL REGULATIONS SECTION 478.11.

38 3. THE SALE OR TRANSFER OF A FIREARM TO A LAW ENFORCEMENT AGENCY
39 PURCHASING FIREARMS FOR USE BY OFFICERS IN THE ACTUAL PERFORMANCE OF THEIR
40 LAW ENFORCEMENT DUTIES.]

41 44-7860. Warning signs; display

42 [A. AT THE ENTRANCE TO A DEALER'S BUSINESS PREMISES WHERE FIREARMS
43 SALES OR TRANSFERS ARE CONDUCTED IN THIS STATE AND IN EACH AREA WHERE THE
44 SALES OR TRANSFERS OCCUR, THE DEALER SHALL CONSPICUOUSLY DISPLAY THE
45 WARNING SIGNS REQUIRED BY THIS SECTION. THE SIGNS SHALL BE DISPLAYED IN A
46 MANNER THAT THE SIGNS CAN BE EASILY VIEWED BY PERSONS TO WHOM FIREARMS ARE

1 SOLD OR TRANSFERRED AND MAY NOT BE REMOVED, OBSCURED OR RENDERED
2 ILLEGIBLE.

3 B. EACH INFORMATIONAL SIGN SHALL BE AT LEAST EIGHT AND ONE-HALF
4 INCHES HIGH BY ELEVEN INCHES WIDE AND FEATURE BLACK TEXT AGAINST A WHITE
5 BACKGROUND AND LETTERS THAT ARE AT LEAST ONE-HALF INCH HIGH. THE SIGNS
6 MAY NOT CONTAIN OTHER STATEMENTS OR MARKINGS OTHER THAN THE FOLLOWING
7 TEXT, IN ENGLISH AND SPANISH:

8 1. WARNING: ACCESS TO A FIREARM IN THE HOME SIGNIFICANTLY INCREASES
9 THE RISK OF SUICIDE, DEATH DURING DOMESTIC VIOLENCE DISPUTES AND THE
10 UNINTENTIONAL DEATH OF CHILDREN, HOUSEHOLD MEMBERS OR OTHERS. IF YOU OR A
11 LOVED ONE IS EXPERIENCING DISTRESS OR DEPRESSION, CALL THE 988 SUICIDE AND
12 CRISIS HOTLINE OR TEXT "HOME" TO 741741.

13 2. WARNING: FIREARMS SHOULD BE STORED UNLOADED AND LOCKED IN A
14 LOCATION SEPARATE FROM AMMUNITION AND INACCESSIBLE TO CHILDREN AND OTHER
15 UNAUTHORIZED PERSONS. UNDER ARIZONA LAW (A.R.S. SECTION 13-3111(F)), GUN
16 OWNERS WHO FAIL TO SECURELY STORE FIREARMS MAY BE LIABLE FOR DAMAGES IF A
17 MINOR GAINS ACCESS AND UNLAWFULLY USES A FIREARM.

18 C. THE DEPARTMENT OF HEALTH SERVICES, IN CONSULTATION WITH THE
19 DEPARTMENT OF PUBLIC SAFETY, SHALL DEVELOP DETAILED PRINTED INFORMATION TO
20 BE MADE AVAILABLE TO DEALERS AT NO COST TO THE DEALERS, IN ENGLISH AND
21 SPANISH, REGARDING THE RISKS OF ACCESS TO FIREARMS, THE IMPORTANCE OF
22 SECURE FIREARM STORAGE, THE IMPORTANCE OF THE REPORTING OF LOST OR STOLEN
23 FIREARMS, A SUMMARY OF THE MAJOR PROVISIONS OF TITLE 13, CHAPTER 31,
24 RELATING TO FIREARMS, INCLUDING THE DUTIES OF THE SELLERS AND PURCHASERS
25 AND POSSESSORS OF FIREARMS, AND SUICIDE PREVENTION RESOURCES. DEALERS
26 SHALL DISTRIBUTE THIS PRINTED INFORMATION TO EACH PERSON TO WHOM A FIREARM
27 IS SOLD OR TRANSFERRED.]

28 44-7861. ~~Sales; transfers; prohibitions; requirements;~~
29 ~~violation; classification~~

30 [A. A DEALER OR A DEALER'S EMPLOYEE MAY NOT SELL OR TRANSFER A
31 FIREARM TO A PURCHASER OR TRANSFEREE UNTIL BOTH:

32 1. THE DEALER OR EMPLOYEE HAS OBTAINED APPROVAL FOR THE SALE OR
33 TRANSFER FROM NICS AFTER NICS HAS COMPLETED ALL BACKGROUND CHECKS REQUIRED
34 BY STATE OR FEDERAL LAW AND THE PURCHASER OR TRANSFEREE IS DETERMINED TO
35 NOT BE PROHIBITED FROM PURCHASING OR POSSESSING A FIREARM UNDER STATE OR
36 FEDERAL LAW.

37 2. AT LEAST SEVEN DAYS HAVE ELAPSED FROM THE DATE THE DEALER OR
38 EMPLOYEE REQUESTED THE BACKGROUND CHECK.

39 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO:

40 1. THE SALE OR TRANSFER OF AN ANTIQUE FIREARM, AS DEFINED IN 18
41 UNITED STATES CODE SECTION 921.

42 2. THE SALE OR TRANSFER OF A CURIO OR RELIC, AS DEFINED IN 27 CODE
43 OF FEDERAL REGULATIONS SECTION 478.11.

44 3. THE SALE OR TRANSFER OF A FIREARM TO A LAW ENFORCEMENT AGENCY
45 PURCHASING FIREARMS FOR USE BY OFFICERS IN THE ACTUAL PERFORMANCE OF THEIR
46 LAW ENFORCEMENT DUTIES.

1 C. A DEALER OR DEALER'S EMPLOYEE MAY NOT SELL OR TRANSFER A FIREARM
2 IF EITHER:

3 1. THE SALE WOULD OCCUR OUTSIDE OF THE DEALER'S POSTED BUSINESS
4 HOURS, EXCEPT THAT A DEALER MAY SELL OR TRANSFER A FIREARM AT A GUN SHOW
5 OUTSIDE OF THE DEALER'S POSTED BUSINESS HOURS.

6 2. THE DEALER OR EMPLOYEE KNOWS OR REASONABLY SHOULD KNOW THAT THE
7 PERSON SEEKING TO PURCHASE OR RECEIVE THE FIREARM IS ANY OF THE FOLLOWING:

8 (a) UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR OF A CONTROLLED
9 SUBSTANCE.

10 (b) A THREAT TO THE SAFETY OF THE PERSON OR ANOTHER PERSON.

11 (c) SEEKING TO PURCHASE OR RECEIVE A FIREARM FOR, ON BEHALF OF, OR
12 AT THE REQUEST OR DEMAND OF ANY OTHER PERSON WHO IS PROHIBITED UNDER STATE
13 OR FEDERAL LAW FROM PURCHASING OR POSSESSING A FIREARM.

14 (d) PROHIBITED BY STATE OR FEDERAL LAW FROM PURCHASING OR
15 POSSESSING A FIREARM.

16 D. A PERSON MAY NOT PURCHASE OR RECEIVE, AND A DEALER OR A DEALER'S
17 EMPLOYEE MAY NOT KNOWINGLY SELL OR TRANSFER TO ANY PERSON, MORE THAN ONE
18 FIREARM WITHIN ANY THIRTY-DAY PERIOD. THIS SUBSECTION DOES NOT APPLY TO:

19 1. A LAW ENFORCEMENT OFFICER OR AGENCY PURCHASING FIREARMS FOR USE
20 BY OFFICERS IN THE ACTUAL PERFORMANCE OF THEIR LAW ENFORCEMENT DUTIES.

21 2. A COLLECTOR OF FIREARMS AS CURIOS OR RELICS AS DEFINED IN 18
22 UNITED STATES CODE SECTION 921 WHO HAS IN HIS POSSESSION A VALID COLLECTOR
23 OF CURIOS AND RELICS LICENSE ISSUED BY THE ATF.

24 3. SALES OR TRANSFERS OF FIREARMS AMONG DEALERS, REGISTERED
25 WHOLESALE DEALERS AND REGISTERED MANUFACTURERS.

26 4. ANY TRANSACTION WHERE THE PERSON HAS PURCHASED OR RECEIVED A
27 FIREARM FROM A DEALER AND HAS RETURNED THAT FIREARM TO THE DEALER IN
28 EXCHANGE FOR ANOTHER FIREARM WITHIN THIRTY DAYS OF THE ORIGINAL
29 TRANSACTION, PROVIDED THE DEALER REPORTS THE EXCHANGE TRANSACTION TO THE
30 DEPARTMENT.

31 E. THE DEPARTMENT SHALL DEVELOP A PROCESS, USING THE RECORDS SENT
32 TO THE DEPARTMENT PURSUANT TO SECTION 44-7861, TO IDENTIFY ANY INDIVIDUALS
33 WHO HAVE PURCHASED OR RECEIVED MORE THAN ONE FIREARM FROM ONE OR MORE
34 DEALERS IN THIS STATE IN VIOLATION OF THIS SECTION. THE DEPARTMENT SHALL
35 IMPLEMENT THE PROCESS AT LEAST QUARTERLY.

36 F. A DEALER OR A DEALER'S EMPLOYEE WHO FACILITATES THE TRANSFER OR
37 DELIVERY OF A FIREARM PURCHASED ON THE INTERNET SHALL REQUIRE THE PERSON
38 TO WHOM THE FIREARM IS BEING TRANSFERRED OR DELIVERED TO PRESENT A VALID
39 GOVERNMENT-ISSUED PHOTOGRAPHIC IDENTIFICATION TO THE DEALER OR EMPLOYEE
40 AND TO PRESENT SUFFICIENT EVIDENCE THAT CONFIRMS THE FIREARM PURCHASED AND
41 THE IDENTITY OF THE PERSON WHO PURCHASED THE FIREARM. BEFORE THE TRANSFER
42 OR DELIVERY OF ANY FIREARM, THE DEALER OR EMPLOYEE SHALL VERIFY THAT THE
43 IDENTITY OF THE PERSON TO WHOM THE FIREARM IS BEING TRANSFERRED OR
44 DELIVERED MATCHES THE IDENTITY OF THE PERSON WHO PURCHASED THE FIREARM.
45 THE DEALER OR EMPLOYEE SHALL REQUIRE THE PERSON TO WHOM THE FIREARM IS
46 TRANSFERRED OR DELIVERED TO ATTEST IN WRITING, IN A FORM PRESCRIBED BY THE
47 DEPARTMENT, THAT THE PERSON IS THE BONA FIDE PURCHASER OF THE FIREARM.

1 THE DEALER SHALL PERMANENTLY RETAIN THE ATTESTATION AND MAKE THE
2 ATTESTATION AVAILABLE TO THE DEPARTMENT FOR INSPECTION.

3 G. WHENEVER A DEALER OR A DEALER'S EMPLOYEE DENIES THE SALE OR
4 TRANSFER OF A FIREARM BASED ON SUSPECTED STRAW PURCHASING OR TRAFFICKING
5 OR FOR ANY OTHER REASON IN THE DISCRETION OF THE DEALER OR EMPLOYEE, THE
6 DEALER OR EMPLOYEE SHALL CREATE, PERMANENTLY RETAIN AND MAKE AVAILABLE TO
7 THE DEPARTMENT FOR INSPECTION AN ELECTRONIC RECORD CONTAINING THE NAME OF
8 THE INDIVIDUAL WHO ATTEMPTED TO PURCHASE OR RECEIVE THE FIREARM AND THE
9 REASON FOR THE DENIAL. THE DEALER OR EMPLOYEE SHALL NOTIFY THE DEPARTMENT
10 AND LOCAL LAW ENFORCEMENT OF THE DENIAL AND THE REASON FOR THE DENIAL
11 WITHIN TWENTY-FOUR HOURS. THE NOTIFICATION SHALL BE IN THE FORM
12 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL CONDUCT AN
13 INVESTIGATION INTO ANY SALE OR TRANSFER DENIED ON THE BASIS OF SUSPECTED
14 STRAW PURCHASING OR TRAFFICKING.

15 H. IF A DEALER COMPENSATES ANY EMPLOYEE WHO PROCESSES THE SALE OR
16 TRANSFER OF FIREARMS ON A COMMISSION BASIS FOR THE SALE OR TRANSFER OF ONE
17 OR MORE FIREARMS, THE DEALER SHALL CREATE, PERMANENTLY RETAIN AND MAKE
18 AVAILABLE TO THE DEPARTMENT FOR INSPECTION A RECORD OF EACH SALE OR
19 TRANSFER MADE BY THE EMPLOYEE FOR WHICH A COMMISSION WAS PAID, INCLUDING
20 THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME, AND SERIAL NUMBER
21 OF EACH FIREARM SOLD OR TRANSFERRED AND THE FEDERAL TRANSACTION RECORD FOR
22 THE FIREARM.

23 I. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1
24 MISDEMEANOR FOR A FIRST OFFENSE AND A CLASS 6 FELONY FOR A SECOND OR
25 SUBSEQUENT OFFENSE.]

26 44-7862. Straw purchases; prohibition; violation;
27 classification

28 [A. A PERSON MAY NOT PURCHASE OR RECEIVE FOR OR CONSPIRE TO
29 PURCHASE OR RECEIVE FOR, AND A DEALER OR DEALER'S EMPLOYEE MAY NOT
30 KNOWINGLY SELL OR TRANSFER TO ANY PERSON WHO:

31 1. IS PROHIBITED FROM POSSESSING OR PURCHASING A FIREARM UNDER
32 STATE OR FEDERAL LAW.

33 2. INTENDS TO USE, CARRY, POSSESS OR SELL OR OTHERWISE DISPOSE OF
34 THE FIREARM IN FURTHERANCE OF A FELONY, A FEDERAL CRIME OF TERRORISM OR A
35 DRUG TRAFFICKING CRIME. A PERSON IS PRESUMED TO INTEND TO USE, CARRY,
36 POSSESS OR SELL OR OTHERWISE DISPOSE OF THE FIREARM IN FURTHERANCE OF A
37 FELONY, A FEDERAL CRIME OF TERRORISM OR A DRUG TRAFFICKING CRIME IF THE
38 FIREARM IS USED IN THE OFFENSE WITHIN SIX MONTHS AFTER THE PURCHASE OF THE
39 FIREARM, UNLESS CLEAR AND CONVINCING EVIDENCE DEMONSTRATES OTHERWISE.

40 3. INTENDS TO SELL OR OTHERWISE DISPOSE OF THE FIREARM TO A PERSON
41 DESCRIBED IN PARAGRAPH 1 OR 2 OF THIS SUBSECTION. A PERSON IS PRESUMED TO
42 INTEND TO SELL OR OTHERWISE DISPOSE OF THE FIREARM TO A PERSON DESCRIBED
43 IN PARAGRAPH 1 OR 2 OF THIS SUBSECTION IF THE FIREARM IS FOUND TO BE IN
44 THE POSSESSION OF A PERSON DESCRIBED IN PARAGRAPH 1 OR 2 OF THIS
45 SUBSECTION WITHIN SIX MONTHS AFTER THE PURCHASE OF THE FIREARM, UNLESS
46 CLEAR AND CONVINCING EVIDENCE DEMONSTRATES OTHERWISE.

1 B. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF CLASS 2 FELONY
2 EXCEPT THAT IF THE PERSON REASONABLY BELIEVES THAT THE FIREARM INVOLVED
3 WILL BE USED TO COMMIT A FELONY, A FEDERAL CRIME OF TERRORISM OR A DRUG
4 TRAFFICKING CRIME, THE PERSON IS GUILTY OF CLASS 1 FELONY.]

5 44-7863. Dealer recordkeeping

6 [A. A DEALER SHALL CREATE AND PERMANENTLY MAINTAIN AN ELECTRONIC
7 RECORD OF PURCHASES, SALES, TRANSFERS, INVENTORY AND OTHER RECORDS AT THE
8 DEALER'S PLACE OF BUSINESS IN A FORM PRESCRIBED BY THE DEPARTMENT. THE
9 RECORDS SHALL INCLUDE AT LEAST THE FOLLOWING:

10 1. THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME AND
11 SERIAL NUMBER OF ALL FIREARMS THAT ARE ACQUIRED OR DISPOSED OF NOT LATER
12 THAN ONE BUSINESS DAY AFTER THEIR ACQUISITION OR DISPOSITION. WHENEVER A
13 DEALER PURCHASES, ACQUIRES OR ACCEPTS IN TRADE A SECONDHAND FIREARM, THE
14 DEALER SHALL ALSO RECORD THE DATE AND THE NAME OF THE PERSON WHO SOLD OR
15 TRADED THE FIREARM AND THE NUMBER OF THE IDENTIFICATION DOCUMENTATION
16 PRESENTED BY THE PERSON WHO SOLD OR TRADED THE FIREARM. THE RECORDS SHALL
17 BE BACKED UP ON AN EXTERNAL SERVER OR OVER THE INTERNET AT THE CLOSE OF
18 EACH BUSINESS DAY.

19 2. ALL FIREARMS ACQUIRED BUT NOT YET DISPOSED OF, WHICH SHALL BE
20 ACCOUNTED FOR THROUGH AN INVENTORY CHECK PREPARED ONCE EACH MONTH.

21 B. FIREARM DISPOSITION INFORMATION, INCLUDING THE MAKE, MODEL,
22 CALIBER OR GAUGE, MANUFACTURER'S NAME AND SERIAL NUMBER OF ALL FIREARMS
23 SOLD OR TRANSFERRED, DATES OF SALE OR TRANSFER AND IDENTITY OF PURCHASERS
24 OR TRANSFEREES, SHALL BE MAINTAINED AND MADE AVAILABLE AT ANY TIME TO THE
25 DEPARTMENT, LOCAL LAW ENFORCEMENT AGENCIES AND TO THE MANUFACTURER OF THE
26 FIREARM OR ITS DESIGNEE. A DEALER SHALL PROVIDE TO THE DEPARTMENT ONGOING
27 ACCESS TO THE ELECTRONIC RECORDS OF THIS SECTION IN THE FORM REQUIRED BY
28 THE DEPARTMENT.

29 C. A DEALER SHALL PERMANENTLY RETAIN ALL ATF FEDERAL TRANSACTION
30 RECORDS ON THE DEALER'S BUSINESS PREMISES IN EITHER:

31 1. A SECURE CONTAINER DESIGNED TO PREVENT LOSS BY FIRE, THEFT OR
32 FLOOD.

33 2. IN THE ELECTRONIC FORM APPROVED BY THE ATF.

34 D. A PARENT COMPANY THAT OWNS, IN WHOLE OR IN PART, MORE THAN ONE
35 BRANCH LOCATION THAT OPERATES AS A DEALER IN THIS STATE SHALL:

36 1. IMPLEMENT A CENTRALIZED ELECTRONIC DATABASE FOR ALL BRANCH
37 LOCATIONS LOCATED IN THIS STATE TO:

38 (a) RECORD ALL OF THE INFORMATION REQUIRED TO BE RECORDED PURSUANT
39 TO THIS SECTION AND SECTION 44-7861, SUBSECTION G.

40 (b) RECORD ALL SUSPICIOUS PURCHASES OR ATTEMPTED PURCHASES OF
41 FIREARMS, AMMUNITION, FIREARM PRECURSOR PARTS, FIREARM COMPONENTS OR
42 FIREARM ACCESSORIES, INCLUDING PURCHASES OR ATTEMPTED PURCHASES OF ANY OF
43 THESE PRODUCTS IN UNUSUAL QUANTITIES OR WITH UNUSUAL FREQUENCY.

44 2. ENSURE THE CENTRALIZED ELECTRONIC DATABASE IS ACCESSIBLE,
45 SEARCHABLE AND TRACKABLE BY ALL BRANCH LOCATIONS IN THIS STATE.

1 3. REQUIRE THAT ALL BRANCH LOCATIONS IN THIS STATE THAT OPERATE AS
2 A FIREARMS DEALER MAINTAIN AND UPDATE THE ELECTRONIC DATABASE AND RECEIVE
3 TRAINING ON HOW TO ESTABLISH AND IMPLEMENT THE DATABASE.

4 4. REQUIRE THAT ALL BRANCH LOCATIONS IN THIS STATE SEARCH THE NAME
5 OF ALL PROSPECTIVE FIREARM PURCHASERS IN THE CENTRALIZED DATABASE TO
6 IDENTIFY:

7 (a) ANY PROSPECTIVE PURCHASER WHO WOULD BE IN VIOLATION OF SECTION
8 44-7861 IF THE PURCHASE WERE COMPLETED.

9 (b) ANY SUSPICIOUS PURCHASING PATTERNS ACROSS MULTIPLE BRANCH
10 LOCATIONS.]

11 44-7864. Dealer reporting

12 [A. EACH TIME A DEALER SELLS OR TRANSFERS A FIREARM, THE DEALER
13 SHALL FILL OUT A TRANSFER NOTIFICATION INDICATING THAT THE FIREARM WAS
14 SOLD OR TRANSFERRED TO THE PURCHASER OR TRANSFEREE, IN A FORM PRESCRIBED
15 BY THE DEPARTMENT, WHICH SHALL INCLUDE:

16 1. THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME AND
17 SERIAL NUMBER OF ALL FIREARMS SOLD OR TRANSFERRED, TOGETHER WITH THE DATE
18 OF THE TRANSACTION.

19 2. THE DEALER'S SIGNATURE IN INK.

20 3. THE PURCHASER'S OR TRANSFEREE'S SIGNATURE IN INK INDICATING THE
21 PURCHASE OR RECEIPT OF THE FIREARM FROM THE DEALER.

22 B. IF A DEALER PURCHASES, ACQUIRES OR ACCEPTS IN TRADE A SECONDHAND
23 FIREARM, THE DEALER SHALL FILL OUT A TRANSFER NOTIFICATION IN A FORM
24 PRESCRIBED BY THE DEPARTMENT AND THAT SHALL INCLUDE:

25 1. THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME AND
26 SERIAL NUMBER OF ALL FIREARMS PURCHASED, ACQUIRED OR ACCEPTED IN TRADE,
27 TOGETHER WITH THE DATE OF TRANSACTION.

28 2. THE DEALER'S SIGNATURE IN INK.

29 3. THE SIGNATURE IN INK OF THE PERSON OR INDIVIDUAL WHO SOLD,
30 TRANSFERRED OR TRADED THE FIREARM.

31 C. THE DEALER SHALL PERMANENTLY RETAIN A COPY OF THE TRANSFER
32 NOTIFICATIONS REQUIRED BY THIS SECTION, PROVIDE A COPY OF THE NOTIFICATION
33 TO THE PURCHASER OR TRANSFEREE AND RETURN ONE COPY OF THE NOTIFICATION TO
34 THE DEPARTMENT NOT MORE THAN FIVE DAYS AFTER THE DATE THE FIREARM IS SOLD
35 OR TRANSFERRED. THE DEALER SHALL RETURN THE COPY TO THE DEPARTMENT IN
36 PERSON OR BY FIRST-CLASS MAIL OR CERTIFIED MAIL SENT IN THE FIVE DAY
37 PERIOD TO THE PROPER ADDRESS OF THE DEPARTMENT, PROVIDED THAT THE
38 NOTIFICATION MAY BE SENT TO THE DEPARTMENT ELECTRONICALLY IN THE FORM
39 PRESCRIBED BY THE DEPARTMENT.

40 D. NOT MORE THAN FIVE DAYS AFTER RECEIVING A TRANSFER NOTIFICATION,
41 THE DEPARTMENT SHALL ELECTRONICALLY ENTER THE INFORMATION INTO A FIREARM
42 ENTRY DATABASE CREATED AND MAINTAINED BY THE DEPARTMENT. THE DEPARTMENT
43 SHALL FORWARD THIS INFORMATION TO THE LOCAL LAW ENFORCEMENT AGENCY HAVING
44 JURISDICTION WHERE THE PURCHASER OR INDIVIDUAL RESIDES. THE PURCHASER OR
45 INDIVIDUAL MAY OBTAIN A COPY OF THE INFORMATION PLACED IN THE FIREARM
46 ENTRY DATABASE TO VERIFY THE ACCURACY OF THE INFORMATION. THE DEPARTMENT
47 MAY CHARGE A REASONABLE FEE FOR THE COST OF PROVIDING THE COPY.

1 E. IF A DEALER DISCONTINUES ITS BUSINESS AND IS SUCCEEDED BY A NEW
2 DEALER IN THIS STATE, THE RECORDS REQUIRED TO BE KEPT PURSUANT TO THIS
3 SECTION SHALL APPROPRIATELY REFLECT THAT FACT AND SHALL BE DELIVERED TO
4 THE SUCCESSOR DEALER. IF DISCONTINUANCE OF THE BUSINESS IS COMPLETE, THE
5 RECORDS SHALL BE DELIVERED WITHIN THIRTY DAYS AFTER THE DISCONTINUANCE TO
6 THE DEPARTMENT, WHICH SHALL PERMANENTLY RETAIN THE RECORDS.]

7 44-7865. Tracing; ballistics

8 [A. EACH LAW ENFORCEMENT AGENCY IN THIS STATE SHALL ENROLL IN THE
9 ATF ETRACE SYSTEM, OR ITS SUCCESSOR PLATFORM.

10 B. EACH LAW ENFORCEMENT AGENCY IN THIS STATE SHALL PARTICIPATE IN
11 THE COLLECTIVE DATA SHARING FEATURE WITHIN THE ETRACE SYSTEM.

12 C. A LAW ENFORCEMENT AGENCY SHALL SUBMIT A TRACE REQUEST VIA THE
13 ETRACE SYSTEM FOR ANY RECOVERED FIREARM WITHIN FORTY-EIGHT HOURS OF
14 RECOVERY AND SHALL INCLUDE IN THE REQUEST:

15 1. THE FULL ADDRESS OF THE LOCATION FROM WHICH THE FIREARM WAS
16 RECOVERED AND A BRIEF DESCRIPTION OF THE CIRCUMSTANCES UNDER WHICH THE
17 FIREARM CAME INTO THE POSSESSION OF THE LAW ENFORCEMENT AGENCY, INCLUDING
18 THE CRIME WHICH WAS OR MAY HAVE BEEN COMMITTED WITH THE FIREARM.

19 2. APPROPRIATE CODES FROM THE NATIONAL CRIME INFORMATION CENTER
20 CODE MANUAL.

21 3. THE FULL NAME, DATE OF BIRTH, SEX, LAST KNOWN ADDRESS AND ANY
22 KNOWN GANG AFFILIATION OF THE PERSON WHO LAST POSSESSED THE FIREARM PRIOR
23 TO RECOVERY.

24 4. THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME AND
25 SERIAL NUMBER OF THE FIREARM.

26 5. ANY OTHER NOTABLE OR IDENTIFYING INFORMATION ABOUT THE FIREARM,
27 INCLUDING ANY ACCESSORIES ATTACHED TO THE FIREARM.

28 6. ANY INFORMATION SENT TO THE LAW ENFORCEMENT AGENCY PURSUANT TO
29 SECTION 44-7861 WITH RESPECT TO THE RECOVERED FIREARM.

30 D. EACH LAW ENFORCEMENT AGENCY IN THIS STATE SHALL PERMANENTLY
31 RETAIN ELECTRONIC RECORDS OF ALL ETRACE REPORTS RECEIVED FROM THE ATF.

32 E. THE DEPARTMENT SHALL COMPILE ALL OF THIS STATE'S ETRACE DATA
33 THROUGH USE OF THE COLLECTIVE DATA SHARING FEATURE AND:

34 1. ON AN ONGOING BASIS, ANALYZE THE DATA FOR PATTERNS AND TRENDS
35 RELATING TO RECOVERED FIREARMS.

36 2. CREATE AND UPDATE AT LEAST ONCE EVERY SIX MONTHS A PUBLIC-FACING
37 INTERACTIVE ONLINE DASHBOARD THAT ALLOWS USERS TO VIEW THE PATTERNS AND
38 TRENDS DESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION.

39 3. CREATE AND UPDATE AT LEAST EACH MONTH A RESTRICTED-ACCESS GUN
40 TRACE ANALYTICS PLATFORM FOR LAW ENFORCEMENT USERS TO VIEW STATEWIDE TRACE
41 DATA, INCLUDING KNOWN TRAFFICKING INDICATORS THAT IDENTIFY FIREARM
42 TRAFFICKERS, INDIVIDUALS WHO COMMIT CRIMES WITH FIREARMS, INDIVIDUALS WHO
43 ARE PROHIBITED FROM POSSESSING FIREARMS AND THE SOURCE OF THEIR CRIME
44 GUNS.

45 F. WHENEVER A LAW ENFORCEMENT AGENCY RECOVERS A FIREARM, THE AGENCY
46 SHALL HAVE THE RECOVERED FIREARM TEST-FIRED AND ENTERED INTO THE NATIONAL

1 INTEGRATED BALLISTIC INFORMATION NETWORK SYSTEM, OR A SUCCESSOR PLATFORM
2 OFFERING SIMILAR FUNCTIONALITY, WITHIN FORTY-EIGHT HOURS OF RECOVERY.

3 G. WHENEVER A LAW ENFORCEMENT AGENCY OBTAINS A FIRED CARTRIDGE
4 CASING BELIEVED TO BE RELATED TO THE COMMISSION OF A CRIME OR THE UNLAWFUL
5 DISCHARGE OF A FIREARM, THE AGENCY SHALL HAVE THAT FIRED CARTRIDGE CASING
6 ENTERED INTO THE NATIONAL INTEGRATED BALLISTIC INFORMATION NETWORK SYSTEM,
7 OR A SUCCESSOR PLATFORM OFFERING SIMILAR FUNCTIONALITY, WITHIN FORTY-EIGHT
8 HOURS OF RECOVERY.

9 H. THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO IMPLEMENT THIS
10 SECTION, INCLUDING ESTABLISHING THE PROCESS FOR LAW ENFORCEMENT AGENCIES
11 TO SUBMIT FIREARMS AND FIRED CARTRIDGE CASINGS TO THE ETRACE SYSTEM AND
12 THE NATIONAL INTEGRATED BALLISTIC INFORMATION NETWORK SYSTEM.

13 I. THE DEPARTMENT SHALL CREATE AND ADMINISTER A TRAINING PROGRAM
14 FOR ALL LAW ENFORCEMENT AGENCIES IN THIS STATE THAT OPTIMIZES USAGE OF THE
15 ETRACE SYSTEM, THE NATIONAL INTEGRATED BALLISTIC INFORMATION NETWORK
16 SYSTEM, THE NIBIN ENFORCEMENT SUPPORT SYSTEM, THE STATE-BASED ANALYTICS
17 PLATFORM AND INCLUDES INFORMATION ON HOW TO APPLY DATA FROM THOSE SYSTEMS
18 TO THE SOLVING AND PREVENTION OF FIREARM CRIMES. THIS TRAINING SHALL BE
19 OFFERED IN-PERSON AT LEAST ONCE PER YEAR AND SHALL BE MADE AVAILABLE
20 ONLINE.

21 J. WHENEVER A STATE OR LOCAL LAW ENFORCEMENT AGENCY RECOVERS ANY
22 FIREARM, THE AGENCY SHALL PROMPTLY ENTER THE MAKE, MODEL, CALIBER AND
23 SERIAL NUMBER OF THE RECOVERED FIREARM INTO THE NATIONAL CRIME INFORMATION
24 CENTER SYSTEM TO DETERMINE WHETHER THE FIREARM WAS REPORTED STOLEN.

25 K. A DEALER OR A MANUFACTURER LOCATED WITHIN THIS STATE SHALL
26 PROMPTLY REVIEW AND RESPOND TO ANY REQUEST FROM A LAW ENFORCEMENT AGENCY
27 OR OFFICER, INCLUDING TRACE REQUESTS AND REQUESTS FOR DOCUMENTS AND
28 RECORDS, WITHIN TWENTY-FOUR HOURS AFTER LEARNING OF THE REQUEST. WHENEVER
29 A DEALER OR A MANUFACTURER LOCATED WITHIN THIS STATE RECEIVES A TRACE
30 REQUEST FROM A LAW ENFORCEMENT AGENCY OR OFFICER, THE DEALER OR
31 MANUFACTURER SHALL NOTIFY THE DEPARTMENT AND THE LOCAL LAW ENFORCEMENT
32 AGENCY OF THE REQUEST WITHIN TWENTY-FOUR HOURS AFTER RESPONDING TO THE
33 REQUEST PRESCRIBED BY THIS SECTION, EXCEPT THAT IF A MANUFACTURER IS A
34 PARTICIPANT IN ATF CONNECT, THE MANUFACTURER SHALL REQUEST A VARIANCE FROM
35 THE ATF TO RECEIVE A NOTIFICATION OF EACH TRACE OF THE MANUFACTURER'S
36 FIREARMS. THE NOTIFICATION SHALL BE MADE ON A FORM PRESCRIBED BY THE
37 DEPARTMENT, A COPY SHALL BE PERMANENTLY RETAINED BY THE DEALER AND THE
38 NOTIFICATION SHALL INCLUDE, AT A MINIMUM:

39 1. THE NAME OF THE PERSON OR DEALER, AS APPLICABLE, TO WHOM THE
40 FIREARM SUBJECT TO THE TRACE REQUEST WAS SOLD OR TRANSFERRED.

41 2. THE MAKE, MODEL, CALIBER OR GAUGE, MANUFACTURER'S NAME AND
42 SERIAL NUMBER OF THE FIREARM SUBJECT TO THE TRACE REQUEST.

43 3. THE DATE OF SALE OR TRANSFER.

44 4. A LIST OF ALL SALES OR TRANSFERS MADE BY OR TO THE PERSON OR
45 DEALER TO WHOM THE DEALER OR MANUFACTURER SOLD OR TRANSFERRED THE FIREARM
46 SUBJECT TO THE TRACE REQUEST.

1 L. A DEALER OR MANUFACTURER LOCATED IN THIS STATE SHALL PROMPTLY
2 NOTIFY THE DEPARTMENT, LOCAL LAW ENFORCEMENT AND THE ATF OF ANY LOSS,
3 THEFT OR UNLAWFUL TRANSFER OF ANY FIREARM OR AMMUNITION WITHIN TWENTY-FOUR
4 HOURS AFTER THE DEALER KNOWS OR SHOULD KNOW OF THE LOSS, THEFT OR UNLAWFUL
5 TRANSFER.

6 M. ON OR BEFORE MARCH 31 OF EACH YEAR, THE DEPARTMENT SHALL PROVIDE
7 EACH DEALER AND MANUFACTURER LOCATED IN THIS STATE A DOCUMENT CONTAINING
8 THE FOLLOWING INFORMATION FOR JANUARY 1 TO DECEMBER 31 OF THE PRECEDING
9 CALENDAR YEAR:

10 1. THE TOTAL NUMBER OF CRIME GUN TRACE REQUESTS INVOLVING THE
11 DEALER OR MANUFACTURER, INCLUDING THE DATE OF EACH REQUEST.

12 2. THE TIME BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE THE
13 FIREARM WAS USED IN A CRIME FOR EACH CRIME GUN TRACE REQUEST INVOLVING THE
14 DEALER OR MANUFACTURER.

15 3. THE AVERAGE TIME BETWEEN THE DATE OF SALE OR TRANSFER AND THE
16 DATE THE FIREARM WAS USED IN A CRIME FOR ALL CRIME GUN TRACE REQUESTS
17 INVOLVING THE DEALER OR MANUFACTURER.

18 4. THE TOTAL NUMBER AND PERCENTAGE OF CRIME GUN TRACE REQUESTS
19 INVOLVING THE DEALER OR MANUFACTURER WITH A PERIOD OF LESS THAN ONE YEAR
20 BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE THE FIREARM WAS USED IN
21 A CRIME.

22 5. THE TOTAL NUMBER AND PERCENTAGE OF CRIME GUN TRACE REQUESTS
23 INVOLVING THE DEALER OR MANUFACTURER WITH A PERIOD OF LESS THAN THREE
24 YEARS BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE THE FIREARM WAS
25 USED IN A CRIME.

26 N. ON OR BEFORE MARCH 31 OF EACH YEAR, THE DEPARTMENT SHALL
27 DETERMINE FOR EACH DEALER WITH A STATE PERMIT, WITH RESPECT TO FIREARMS
28 SOLD OR TRANSFERRED BY THAT DEALER FOR JANUARY 1 TO DECEMBER 31 OF THE
29 PRECEDING CALENDAR YEAR:

30 1. THE PERCENTAGE OF CRIME GUN TRACE REQUESTS MADE TO THAT DEALER
31 COMPARED TO THE NUMBER OF FIREARMS SOLD BY THAT DEALER.

32 2. THE PERCENTAGE OF CRIME GUN TRACE REQUESTS MADE TO THAT DEALER
33 WITH A PERIOD OF LESS THAN THREE YEARS BETWEEN THE DATE OF SALE OR
34 TRANSFER AND THE DATE THE FIREARM WAS USED IN A CRIME.

35 O. A DEALER THAT IS IN THE TOP TEN PERCENT OF DEALERS IN THIS STATE
36 IN TERMS BOTH OF THE LOWEST PERCENTAGE OF CRIME GUN TRACE REQUESTS MADE TO
37 THAT DEALER OVER THE PRECEDING YEAR COMPARED TO THE NUMBER OF FIREARMS
38 SOLD BY THAT DEALER OVER THE PRECEDING YEAR AND THE LOWEST PERCENTAGE OF
39 CRIME GUN TRACE REQUESTS MADE TO THAT DEALER OVER THE PREVIOUS YEAR
40 INVOLVING A PERIOD OF LESS THAN THREE YEARS BETWEEN THE DATE OF SALE OR
41 TRANSFER AND THE DATE THE FIREARM WAS USED IN A CRIME OR LESS SHALL
42 RECEIVE A SEVENTY-FIVE PERCENT DISCOUNT ON THE DEALER'S NEXT APPLICATION
43 RENEWAL FEE FOR THE DEALER'S CURRENT LOCATION OR LOCATIONS.]

44 44-7866. Annual report; dealers; manufacturer

45 [A. ON OR BEFORE MARCH 31 OF EACH YEAR, A DEALER SHALL PROVIDE AN
46 ANNUAL REPORT TO THE DEPARTMENT, IN A FORM PRESCRIBED BY THE DEPARTMENT,

1 CONTAINING THE FOLLOWING INFORMATION FOR JANUARY 1 TO DECEMBER 31 OF THE
2 PRECEDING CALENDAR YEAR:

3 1. THE NUMBER OF FIREARMS, CLASSIFIED BY MAKE AND MODEL, SOLD OR
4 TRANSFERRED.

5 2. THE NUMBER OF APPROVED ATF TRANSFER FORMS COMPLETED.

6 3. THE NAMES OF EACH EMPLOYEE OF THE DEALER WHO PROCESSED THE SALE
7 OR TRANSFER OF FIREARMS AND WHO WERE PAID A COMMISSION, AND THE AMOUNT OF
8 COMMISSION EACH EMPLOYEE RECEIVED.

9 4. ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

10 B. ON OR BEFORE MARCH 31 OF EACH YEAR, A MANUFACTURER LOCATED IN
11 THIS STATE SHALL PROVIDE AN ANNUAL REPORT TO THE DEPARTMENT, IN A FORM
12 PRESCRIBED BY THE DEPARTMENT, CONTAINING THE FOLLOWING INFORMATION FOR
13 JANUARY 1 TO DECEMBER 31 OF THE PRECEDING CALENDAR YEAR:

14 1. THE NUMBER OF FIREARMS, CLASSIFIED BY MAKE AND MODEL, SOLD OR
15 TRANSFERRED.

16 2. ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.]

17 44-7867. Inspections

18 [A. THE DEPARTMENT SHALL CONDUCT AN ANNUAL ON-SITE INSPECTION OF
19 EACH NEWLY-PERMITTED DEALER IN THIS STATE AND AT LEAST TWENTY PERCENT OF
20 TOTAL DEALERS IN THIS STATE, INCLUDING INSPECTING A DEALER'S PLACE OF
21 BUSINESS, TO ENSURE THAT THE DEALER IS IN COMPLIANCE WITH THE REQUIREMENTS
22 OF THIS CHAPTER TO HOLD A STATE PERMIT.

23 B. USING THE REPORT PREPARED PURSUANT TO SECTION 44-7869, THE
24 DEPARTMENT SHALL INSPECT THE FOLLOWING DEALERS EACH YEAR:

25 1. DEALERS WHO ARE IN THE TOP TEN PERCENT OF DEALERS IN THIS STATE
26 WITH THE LARGEST PERCENTAGE OF TRACES IN THE PRECEDING YEAR IN WHICH THE
27 TIME BETWEEN THE DATE OF THE SALE OR TRANSFER AND THE DATE THE FIREARM WAS
28 USED IN A CRIME WAS LESS THAN ONE YEAR, WITH A MINIMUM OF FIVE TRACES.

29 2. DEALERS WHO ARE IN THE TOP TEN PERCENT OF DEALERS IN THIS STATE
30 WITH THE LARGEST PERCENTAGE OF TRACES IN THE PRECEDING YEAR IN WHICH THE
31 TIME BETWEEN THE DATE OF THE SALE OR TRANSFER AND THE DATE THE FIREARM WAS
32 USED IN A CRIME WAS LESS THAN THREE YEARS, WITH A MINIMUM OF FIVE TRACES.

33 C. IN ADDITION TO THE INSPECTIONS REQUIRED IN SUBSECTIONS A AND B
34 OF THIS SECTION, THE DEPARTMENT MAY CONDUCT PERIODIC UNANNOUNCED
35 INSPECTIONS OF A DEALER AND THE DEALER'S PLACE OF BUSINESS DURING THE
36 DEALER'S REGULAR BUSINESS HOURS TO ENSURE THAT THE DEALER IS COMPLYING
37 WITH THE REQUIREMENTS OF THIS CHAPTER TO HOLD A STATE PERMIT. BEFORE
38 CONDUCTING AN ON-SITE INSPECTION OF A DEALER, THE DEPARTMENT SHALL REVIEW
39 CRIME GUN TRACE REQUESTS INVOLVING THAT DEALER AND, ON CONDUCTING AN
40 ON-SITE INSPECTION, PROVIDE THE DEALER WITH A COPY OF THE MOST RECENT
41 DOCUMENT DESCRIBED IN SECTION 44-7865 WITH RESPECT TO THAT DEALER TO
42 DISCUSS THE DOCUMENT DURING THE INSPECTION PROCESS.

43 D. WHENEVER A DEALER OR MANUFACTURER LOCATED IN THIS STATE IS
44 INSPECTED BY THE ATF, THE DEALER OR MANUFACTURER SHALL NOTIFY THE
45 DEPARTMENT OF THE INSPECTION NOT LATER THAN TWENTY-FOUR HOURS AFTER THE
46 INSPECTION AND SHALL SEND TO THE DEPARTMENT A COPY OF ANY REPORTS OF
47 VIOLATIONS OR LETTERS RECEIVED FROM THE ATF NOT LATER THAN TWENTY-FOUR

1 HOURS AFTER RECEIVING THE REPORTS OR LETTERS. THE DEPARTMENT SHALL
2 PERMANENTLY RETAIN THE REPORTS AND LETTERS.]

3 44-7868. Enforcement

4 [A. IF THE DEPARTMENT FINDS A DEALER TO BE IN VIOLATION OF ANY
5 PROVISION OF THIS CHAPTER, ANY STATE OR LOCAL LAW CONCERNING THE SALE OR
6 TRANSFER OF FIREARMS OR ANY FEDERAL LAW OR RULE CONCERNING THE SALE OR
7 TRANSFER OF FIREARMS FOR WHICH THE PENALTY INCLUDES POTENTIAL REVOCATION
8 OF THE PERSON'S FEDERAL FIREARMS LICENSE, THE DEPARTMENT MAY IMPOSE A
9 CIVIL PENALTY OF NOT MORE THAN \$10,000 FOR EACH VIOLATION AND MAY:

10 1. ISSUE A WARNING TO THE DEALER THAT INCLUDES A DESCRIPTION OF THE
11 OFFENSE AND THE POSSIBLE PENALTIES FOR SUBSEQUENT OFFENSES.

12 2. SUSPEND THE DEALER'S STATE PERMIT FOR A PERIOD OF TIME
13 DETERMINED BY THE DEPARTMENT IF THE DEPARTMENT DETERMINES, BASED ON THE
14 VIOLATION AND ANY PAST VIOLATIONS, THAT THE DEALER IS LIKELY TO POSE A
15 DANGER TO THE PUBLIC HEALTH, SAFETY OR WELFARE.

16 3. REVOKE THE DEALER'S STATE PERMIT IF THE DEPARTMENT DETERMINES,
17 BASED ON THE VIOLATION AND ANY PAST VIOLATIONS, THAT THE DEALER IS LIKELY
18 TO POSE A DANGER TO THE PUBLIC HEALTH, SAFETY OR WELFARE.

19 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION:

20 1. THE DEPARTMENT SHALL SUSPEND A STATE PERMIT IF THE DEALER IS
21 CHARGED WITH AN OFFENSE THAT WOULD RENDER THE DEALER INELIGIBLE FOR THE
22 STATE PERMIT PURSUANT TO SECTION 44-7853.

23 2. THE DEPARTMENT SHALL REVOKE A STATE PERMIT IF THE DEALER:

24 (a) NO LONGER QUALIFIES FOR THE ISSUANCE OF A STATE PERMIT PURSUANT
25 TO THIS CHAPTER.

26 (b) REFUSES TO ALLOW THE DEPARTMENT TO CONDUCT AN ON-SITE
27 INSPECTION PURSUANT TO THIS CHAPTER.

28 (c) REFUSES TO PROVIDE TO THE DEPARTMENT ONGOING ACCESS TO
29 ELECTRONIC RECORDS AS REQUIRED BY THIS CHAPTER.

30 (d) FAILS TO CONDUCT A BACKGROUND CHECK REQUIRED PURSUANT TO
31 FEDERAL OR STATE LAW, OR TRANSFERS A FIREARM BEFORE RECEIVING THE RESULTS
32 OF A BACKGROUND CHECK AS REQUIRED BY THIS CHAPTER.

33 (e) SELLS OR TRANSFERS A FIREARM IN VIOLATION OF THIS CHAPTER.

34 (f) SELLS OR TRANSFERS A FIREARM TO A PERSON WHO IS PROHIBITED FROM
35 POSSESSING OR PURCHASING A FIREARM UNDER FEDERAL OR STATE LAW.

36 (g) FAILS TO RESPOND TO A TRACE REQUEST AS REQUIRED BY THIS
37 CHAPTER.

38 (h) PROVIDES A FRAUDULENT OR MATERIAL MISSTATEMENT IN THE
39 COMPLETION OF ANY RECORD OR NOTIFICATION REQUIRED PURSUANT TO FEDERAL LAW
40 OR THIS CHAPTER.

41 C. A PERSON WHOSE STATE PERMIT IS REVOKED SOLELY BECAUSE THE PERSON
42 NO LONGER HOLDS A VALID FEDERAL FIREARMS LICENSE MAY APPLY FOR A NEW STATE
43 PERMIT ANY TIME AFTER THE PERSON OBTAINS A VALID FEDERAL FIREARMS LICENSE.

44 D. IF THE DEPARTMENT REVOKES A DEALER'S STATE PERMIT, THE
45 DEPARTMENT MUST NOTIFY THE ATF OF THE REVOCATION AND THE REASON FOR THE
46 REVOCATION.

1 E. THE DENIAL, SUSPENSION OR REVOCATION OF A STATE PERMIT PURSUANT
2 TO THIS SECTION IS SUBJECT TO THE PROVISIONS OF TITLE 41, CHAPTER 6.
3 F. A PERSON WHO IS A FORMER DEALER, INCLUDING A PERSON WHOSE STATE
4 PERMIT WAS REVOKED OR WHOSE STATE PERMIT RENEWAL WAS DENIED, WHO WISHES TO
5 DISPOSE OF INVENTORY SHALL DISPOSE OF THE INVENTORY IN A MANNER THAT DOES
6 NOT CONSTITUTE BEING ENGAGED IN THE BUSINESS OF DEALING IN FIREARMS.]
7 44-7869. Annual report; department of public safety
8 [A. ON OR BEFORE MAY 31 OF EACH YEAR, THE DEPARTMENT SHALL PUBLISH
9 A REPORT ON THE DEPARTMENT'S WEBSITE CONTAINING, AT A MINIMUM, THE
10 FOLLOWING INFORMATION:
11 1. THE NUMBER OF STATE PERMIT APPLICATIONS RECEIVED, GRANTED AND
12 DENIED.
13 2. THE NUMBER OF STATE PERMITS REVOKED AND THE BASIS FOR EACH
14 REVOCATION.
15 3. THE AMOUNT OF FEES COLLECTED AND DEPOSITED INTO THE FIREARM
16 DEALER PERMIT CASH FUND AND THE AMOUNT OF FUND MONIES SPENT.
17 4. THE TOTAL AMOUNT SPENT ON PERMITTING AND INSPECTION COSTS.
18 5. INFORMATION ABOUT THE RACE, GENDER AND GEOGRAPHIC LOCATION OF
19 PERSONS WHO APPLIED FOR A PERMIT, INCLUDING WHETHER THE APPLICATION WAS
20 GRANTED OR DENIED, AND PERSONS WHOSE PERMITS WERE REVOKED.
21 6. THE DEPARTMENT'S STAFFING LEVELS FOR CONDUCTING DEALER
22 INSPECTIONS PURSUANT TO THIS CHAPTER, INCLUDING BOTH AUTHORIZED POSITIONS
23 AND FILLED POSITIONS.
24 7. THE NUMBER OF DEALER INSPECTIONS CONDUCTED AND, FOR EACH
25 INSPECTION, THE NAME OF THE DEALER, THE DEALER'S LICENSE NUMBER AND THE
26 BUSINESS ADDRESS OF THE DEALER.
27 8. THE NUMBER OF HOURS SPENT TO COMPLETE THE INSPECTION, A LIST OF
28 VIOLATIONS IDENTIFIED THROUGH THE INSPECTION, WHETHER THOSE VIOLATIONS
29 WERE SUBSEQUENTLY RESOLVED AND, IF SO, THE DATE THEY WERE RESOLVED, AND
30 ANY FINES OR PENALTIES ASSESSED.
31 9. THE DATE OF ANY REINSPECTION, ANY VIOLATIONS IDENTIFIED DURING A
32 REINSPECTION AND THE DATES OF ANY PRIOR INSPECTIONS.
33 10. THE NUMBER OF BACKGROUND CHECKS SUBMITTED BY THE DEALER DURING
34 THE ONE-YEAR PERIOD PRIOR TO THE INSPECTION AND THE OUTCOME OF THE
35 BACKGROUND CHECKS
36 11. THE TOTAL NUMBER OF FIREARMS USED IN CRIMES THAT WERE TRACED
37 BACK TO THE DEALER DURING THE ONE-YEAR PERIOD BEFORE THE INSPECTION AND
38 THE PERCENTAGE OF TOTAL SALES BY THE DEALER IN THE SAME PERIOD OF TIME
39 THAT THE TRACED FIREARMS REPRESENT.
40 12. THE NUMBER OF FIREARMS THAT THE DEALER REPORTED OR DISCOVERED
41 LOST OR STOLEN DURING THE ONE-YEAR PERIOD PRIOR TO THE INSPECTION.
42 B. THE REPORT SHALL INCLUDE A SUMMARY OF THE ANALYSIS COMPLETED BY
43 THE DEPARTMENT PURSUANT TO SECTION 44-7865, INCLUDING:
44 1. THE TOTAL NUMBER OF FIREARMS RECOVERED IN THIS STATE.
45 2. THE NUMBER OF FIREARMS RECOVERED, DISAGGREGATED BY COUNTY AND BY
46 CITY.

- 1 3. THE NUMBER OF FIREARMS RECOVERED, DISAGGREGATED BY THE FIREARMS
2 DEALER WHERE THE MOST RECENT SALE OR TRANSFER OF THE FIREARM OCCURRED,
3 INCLUDING THE FULL NAME AND ADDRESS OF THE FIREARMS DEALER.
- 4 4. THE NUMBER OF FIREARMS RECOVERED, DISAGGREGATED BY THE
5 MANUFACTURER.
- 6 5. THE NUMBER OF FIREARMS RECOVERED IN THIS STATE, DISAGGREGATED BY
7 THE STATE IN WHICH THE FIREARM WAS LAST PURCHASED OR RECEIVED FROM A
8 DEALER.
- 9 6. THE NUMBER OF FIREARMS RECOVERED IN THIS STATE, DISAGGREGATED BY
10 WHETHER THE FIREARM WAS ORIGINALLY PURCHASED OR RECEIVED BY THE
11 PERPETRATOR OF THE CRIME.
- 12 7. THE TOTAL NUMBER OF UNSERIALIZED FIREARMS RECOVERED IN THIS
13 STATE.
- 14 8. THE NUMBER OF UNSERIALIZED FIREARMS RECOVERED, DISAGGREGATED BY
15 COUNTY AND BY CITY.
- 16 9. THE AVERAGE TIME ELAPSED BETWEEN THE DATE OF SALE OR TRANSFER
17 AND THE DATE THE FIREARM WAS USED IN A CRIME WITH RESPECT TO ALL FIREARMS
18 RECOVERED IN THIS STATE.
- 19 10. THE PERCENTAGE OF CRIME GUN TRACE REQUESTS WITH A PERIOD OF
20 LESS THAN ONE YEAR BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE THE
21 FIREARM WAS USED IN A CRIME.
- 22 11. THE PERCENTAGE OF CRIME GUN TRACE REQUESTS WITH A PERIOD OF
23 LESS THAN THREE YEARS BETWEEN THE DATE OF SALE OR TRANSFER AND THE DATE
24 THE FIREARM WAS USED IN A CRIME.
- 25 12. FOR ALL DEALERS ACROSS THIS STATE, THE AVERAGE PERCENTAGE OF
26 FIREARMS TRACED TO THE DEALER COMPARED TO THE TOTAL NUMBER OF FIREARM
27 DISPOSITIONS BY THE DEALER, AND THE NUMBER OF DEALERS THAT EXCEED THE
28 AVERAGE.]
- 29 44-7870. Manufacturer; shipping requirements
- 30 [A. A MANUFACTURER THAT SHIPS OR TRANSPORTS A FIREARM FOR SALE OR
31 TRANSFER INTO OR WITHIN THIS STATE, BEFORE SHIPPING OR TRANSPORTING ANY
32 FIREARM TO A DEALER, SHALL RECEIVE AND RETAIN FOR AT LEAST FIVE YEARS THE
33 FOLLOWING INFORMATION FROM THAT DEALER FOR THE PRECEDING CALENDAR YEAR:
- 34 1. A COPY OF THE ANNUAL TRACE SUMMARY PREPARED BY THE DEPARTMENT
35 AND DELIVERED TO THE DEALER PURSUANT TO THIS CHAPTER.
- 36 2. A COPY OF THE ANNUAL REPORT REQUIRED TO BE DELIVERED BY THE
37 DEALER TO THE DEPARTMENT PURSUANT TO THIS CHAPTER.
- 38 3. A COPY OF THE RESULTS OF ANY COMPLIANCE INSPECTIONS CONDUCTED OR
39 REPORTS OF VIOLATIONS OR LETTERS RECEIVED FROM THE ATF.
- 40 4. CERTIFICATION FROM THE DEALER THAT THE DEALER AND EACH OF ITS
41 EMPLOYEES HAS COMPLIED WITH THE TRAINING REQUIREMENTS OF THIS CHAPTER.
- 42 B. IF A MANUFACTURER IDENTIFIES ON ITS WEBSITE A DEALER LOCATED
43 WITHIN THIS STATE AS A PREFERRED DEALER OF THE MANUFACTURER, THE
44 MANUFACTURER SHALL COMPLY WITH THIS SECTION WITH RESPECT TO THE DEALER,
45 REGARDLESS OF WHETHER THE MANUFACTURER SHIPS OR TRANSPORTS FIREARMS
46 DIRECTLY TO THAT DEALER OR THROUGH A THIRD PARTY.]

1 44-7871. Controls; nuisance; liability

2 [A. A GUN INDUSTRY MEMBER, BY UNLAWFUL OR UNREASONABLE CONDUCT
3 UNDER ALL THE CIRCUMSTANCES, MAY NOT RECKLESSLY CREATE, MAINTAIN OR
4 CONTRIBUTE TO A CONDITION IN THIS STATE THAT ENDANGERS THE SAFETY OR
5 HEALTH OF THE PUBLIC THROUGH THE SALE, MANUFACTURING, IMPORTING OR
6 MARKETING OF A QUALIFIED PRODUCT.

7 B. A GUN INDUSTRY MEMBER WHO MANUFACTURES, MARKETS, IMPORTS OR
8 OFFERS FOR WHOLESALE OR RETAIL SALE ANY QUALIFIED PRODUCT IN THIS STATE
9 SHALL ESTABLISH AND USE REASONABLE CONTROLS AND PROCEDURES TO PREVENT ITS
10 QUALIFIED PRODUCTS FROM BEING POSSESSED, USED, MARKETED OR SOLD UNLAWFULLY
11 IN THIS STATE.

12 C. A GUN INDUSTRY MEMBER WHO COMMITS A VIOLATION OF SUBSECTION A OR
13 B OF THIS SECTION THAT RESULTS IN HARM TO THE PUBLIC CREATES A PUBLIC
14 NUISANCE. THE EXISTENCE OF THE PUBLIC NUISANCE DOES NOT DEPEND ON WHETHER
15 THE GUN INDUSTRY MEMBER ACTED FOR THE PURPOSE OF CAUSING HARM TO THE
16 PUBLIC.

17 D. ANY PERSON, FIRM, CORPORATION OR ASSOCIATION THAT HAS BEEN
18 DAMAGED AS A RESULT OF A GUN INDUSTRY MEMBER'S ACTS OR OMISSIONS IN
19 VIOLATION OF THIS CHAPTER IS ENTITLED TO BRING AN ACTION FOR RECOVERY OF
20 DAMAGES OR TO ENFORCE THIS SECTION IN THE SUPERIOR COURT OR IN FEDERAL
21 DISTRICT COURT.

22 E. IF IT APPEARS TO THE ATTORNEY GENERAL THAT A GUN INDUSTRY MEMBER
23 HAS ENGAGED IN OR ENGAGES IN CONDUCT THAT VIOLATES THIS SECTION, THE
24 ATTORNEY GENERAL MAY COMMENCE AN ACTION TO SEEK AND OBTAIN:

25 1. AN INJUNCTION PROHIBITING THE GUN INDUSTRY MEMBER FROM
26 CONTINUING THAT CONDUCT OR ENGAGING IN ANY ACTS IN FURTHERANCE OF THE
27 CONDUCT.

28 2. AN ORDER PROVIDING FOR ABATEMENT OF THE NUISANCE AT THE EXPENSE
29 OF THE GUN INDUSTRY MEMBER.

30 3. RESTITUTION, DAMAGES, REASONABLE ATTORNEY FEES, FILING FEES AND
31 COSTS AND ANY OTHER APPROPRIATE RELIEF.

32 F. THE ATTORNEY GENERAL IS NOT REQUIRED TO DEMONSTRATE ANY SPECIAL
33 INJURY TO PROCEED AS AUTHORIZED BY THIS SECTION.

34 G. WHEN IT APPEARS TO THE ATTORNEY GENERAL THAT A GUN INDUSTRY
35 MEMBER HAS ENGAGED IN, ENGAGES IN OR IS ABOUT TO ENGAGE IN CONDUCT THAT
36 VIOLATES THIS CHAPTER, OR WHEN THE ATTORNEY GENERAL BELIEVES IT IS IN THE
37 PUBLIC INTEREST THAT AN INVESTIGATION SHOULD BE MADE TO DETERMINE WHETHER
38 A GUN INDUSTRY MEMBER HAS IN FACT ENGAGED IN, ENGAGES IN OR IS ABOUT TO
39 ENGAGE IN CONDUCT THAT VIOLATES THIS CHAPTER, THE ATTORNEY GENERAL MAY:

40 1. REQUIRE THE GUN INDUSTRY MEMBER OR ANY OTHER PERSON TO FILE A
41 STATEMENT OR REPORT IN WRITING UNDER OATH OR OTHERWISE, AS TO ALL THE
42 FACTS AND CIRCUMSTANCES CONCERNING CONDUCT, AND OTHER DATA AND INFORMATION
43 AS THE ATTORNEY GENERAL DEEMS NECESSARY.

44 2. EXAMINE UNDER OATH ANY GUN INDUSTRY MEMBER OR ANY OTHER PERSON
45 CONCERNING THE ACT OR OMISSION.

46 3. EXAMINE ANY RECORD, OBJECT, BOOK, DOCUMENT, ACCOUNT OR PAPER AS
47 THE ATTORNEY GENERAL DEEMS NECESSARY.

1 4. PURSUANT TO A COURT ORDER, IMPOUND AND RETAIN IN THE ATTORNEY
2 GENERAL'S POSSESSION ANY RECORD, BOOK, DOCUMENT, ACCOUNT, OBJECT OR PAPER
3 THAT IS PRODUCED IN ACCORDANCE WITH THIS SECTION UNTIL THE COMPLETION OF
4 ALL PROCEEDINGS IN CONNECTION WITH IMPOUNDED ITEMS.

5 H. TO THE EXTENT CAUSATION IS APPLICABLE, THE CONDUCT OF A GUN
6 INDUSTRY MEMBER IS DEEMED TO CONSTITUTE A PROXIMATE CAUSE OF THE PUBLIC
7 NUISANCE IF THE HARM TO THE PUBLIC WAS A REASONABLY FORESEEABLE EFFECT OF
8 THE CONDUCT, NOTWITHSTANDING ANY INTERVENING ACTIONS, INCLUDING CRIMINAL
9 ACTIONS BY A THIRD PARTY.

10 I. THE ATTORNEY GENERAL MAY ESTABLISH A UNIT TO EXERCISE ALL
11 FUNCTIONS, POWERS AND DUTIES OF THE ATTORNEY GENERAL ESTABLISHED BY THIS
12 CHAPTER.

13 J. NOTHING IN THIS SECTION DENIES, ABROGATES OR IMPAIRS ANY
14 STATUTORY OR COMMON LAW RIGHT, REMEDY OR PROHIBITION OTHERWISE AVAILABLE
15 TO ANY PARTY, INCLUDING THE ATTORNEY GENERAL.]

16 44-7872. Unlicensed sale; background check; violation;
17 classification

18 [A. AN UNLICENSED PERSON MAY NOT SELL OR TRANSFER A FIREARM TO
19 ANOTHER UNLICENSED PERSON UNLESS:

20 1. THE PROPOSED TRANSFEROR AND THE PROPOSED TRANSFEREE PHYSICALLY
21 APPEAR TOGETHER WITH THE FIREARM BEFORE A DEALER AND REQUEST THAT THE
22 DEALER FACILITATE THE SALE OR TRANSFER.

23 2. THE DEALER AGREES TO FACILITATE THE SALE OR TRANSFER.

24 B. A PERSON MAY NOT KNOWINGLY MAKE A FALSE STATEMENT OR EXHIBIT A
25 FALSE IDENTIFICATION INTENDED TO DECEIVE A DEALER WITH RESPECT TO ANY FACT
26 MATERIAL TO THE SALE OR TRANSFER OF A FIREARM PURSUANT TO THIS CHAPTER.

27 C. A DEALER WHO AGREES TO FACILITATE A FIREARM SALE OR TRANSFER
28 PURSUANT TO THIS SECTION SHALL COMPLY WITH ALL REQUIREMENTS OF STATE AND
29 FEDERAL LAW AND, UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS SECTION,
30 SHALL CONDUCT THE SALE OR TRANSFER IN THE SAME MANNER AS THE DEALER WOULD
31 IF SELLING OR TRANSFERRING THE FIREARM FROM HIS OR HER OWN INVENTORY.

32 D. A PROSPECTIVE TRANSFEROR MAY REMOVE THE FIREARM FROM THE
33 BUSINESS PREMISES WHILE THE BACKGROUND CHECK IS BEING CONDUCTED IF, BEFORE
34 THE PROSPECTIVE TRANSFEROR SELLS OR TRANSFERS THE FIREARM TO THE
35 PROSPECTIVE TRANSFEREE, THE PROSPECTIVE TRANSFEROR AND PROSPECTIVE
36 TRANSFEREE RETURN TO THE DEALER WHO TAKES POSSESSION OF THE FIREARM TO
37 COMPLETE THE SALE OR TRANSFER. A DEALER SHALL RETURN THE FIREARM TO THE
38 PROPOSED TRANSFEROR AND DECLINE TO CONTINUE FACILITATING THE SALE OR
39 TRANSFER IF THE DEALER DETERMINES THAT THE PROPOSED TRANSFEREE IS
40 PROHIBITED BY FEDERAL OR STATE LAW FROM PURCHASING OR POSSESSING THE
41 FIREARM.

42 E. A DEALER MAY CHARGE A REASONABLE FEE TO FACILITATE THE SALE OR
43 TRANSFER OF A FIREARM BETWEEN A PROPOSED TRANSFEROR AND A PROPOSED
44 TRANSFEREE PURSUANT TO THIS SECTION.

45 F. AN UNLICENSED PERSON WHO SELLS OR TRANSFERS A FIREARM TO ANOTHER
46 UNLICENSED PERSON IN VIOLATION OF THIS CHAPTER IS GUILTY OF A CLASS 1

1 MISDEMEANOR FOR A FIRST OFFENSE AND A CLASS 6 FELONY FOR A SECOND OR
2 SUBSEQUENT OFFENSE.

3 G. A DEALER WHO FACILITATES A FIREARM SALE OR TRANSFER PURSUANT TO
4 THIS SECTION IS IMMUNE FROM ANY CIVIL OR CRIMINAL LIABILITY FOR ANY
5 ACTIONS TAKEN OR OMISSIONS MADE WHEN FACILITATING THE TRANSFER IN RELIANCE
6 ON THE PROVISIONS OF THIS SECTION. THIS SUBSECTION DOES NOT APPLY TO
7 RECKLESS OR INTENTIONAL MISCONDUCT BY A DEALER.

8 H. THIS SECTION DOES NOT APPLY TO:

9 1. THE SALE OR TRANSFER OF A FIREARM BY OR TO A LAW ENFORCEMENT
10 AGENCY.

11 2. THE SALE OR TRANSFER OF A FIREARM BY OR TO A LAW ENFORCEMENT
12 OFFICER OR MEMBER OF THE UNITED STATES ARMED FORCES ACTING WITHIN THE
13 COURSE OF OFFICIAL DUTIES.

14 3. THE SALE OR TRANSFER OF A FIREARM BETWEEN SPOUSES, DOMESTIC
15 PARTNERS, PARENTS, CHILDREN, SIBLINGS, GRANDPARENTS, GRANDCHILDREN, AUNTS,
16 UNCLES, NIECES AND NEPHEWS.

17 4. A PERSON WHO SELLS OR TRANSFERS THE FIREARM TO ANOTHER PERSON IN
18 ORDER TO PREVENT IMMINENT HARM TO ANY PERSON, PROVIDED THAT THIS
19 SUBDIVISION SHALL ONLY APPLY WHILE THE RISK OF IMMINENT HARM EXISTS.]>>

20 <<~~Sec. 2. Short title~~

21 ~~This act may be cited as the "Second Amendment Financial~~
22 ~~Privacy Act".>>~~

23 <<Sec. 2. Requirements for enactment; two-thirds vote

24 [Pursuant to article IX, section 22, Constitution of Arizona, this
25 act is effective only on the affirmative vote of at least two-thirds of
26 the members of each house of the legislature and is effective immediately
27 on the signature of the governor or, if the governor vetoes this act, on
28 the subsequent affirmative vote of at least three-fourths of the members
29 of each house of the legislature.]>>

30 Enroll and engross to conform

31 Amend title to conform

NANCY GUTIERREZ

1058FloorGUTIERREZ.docx

04/07/2026

04:22 PM

C: SK; H: ra

130WZSSJT