

118TH CONGRESS  
1ST SESSION

# H. R. 817

To improve the procedures of the national instant criminal background check system in the case of firearm transfers by federally licensed firearms importers, manufacturers, and dealers before the completion of the related criminal background check, and to provide for annual reports on default firearm transfers.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2023

Mr. SCHNEIDER (for himself, Mr. QUIGLEY, and Mr. PANETTA) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To improve the procedures of the national instant criminal background check system in the case of firearm transfers by federally licensed firearms importers, manufacturers, and dealers before the completion of the related criminal background check, and to provide for annual reports on default firearm transfers.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Default Proceed Sale  
5 Transparency Act”.

1 **SEC. 2. IMPROVEMENT OF NICS PROCEDURES IN THE CASE**  
2 **OF DEFAULT FIREARM TRANSFERS.**

3 (a) REQUIREMENT THAT FEDERALLY LICENSED  
4 FIREARM IMPORTERS, MANUFACTURERS, AND DEALERS  
5 REPORT DEFAULT FIREARM TRANSFERS.—

6 (1) IN GENERAL.—Section 922(t) of title 18,  
7 United States Code, is amended by adding at the  
8 end the following:

9 “(7) A licensed importer, licensed manufacturer, or  
10 licensed dealer who transfers a firearm in compliance with  
11 paragraph (1), but before the national instant criminal  
12 background check system provides the licensee with a  
13 unique identification number, shall report the transfer to  
14 the Federal Bureau of Investigation within 24 hours. If  
15 a State or local law enforcement authority is conducting  
16 the related background check, the Federal Bureau of In-  
17 vestigation shall transmit the report to that authority.”.

18 (2) CREATION OF ONLINE PORTAL AND TELE-  
19 PHONE HOTLINE.—Within 180 days after the date  
20 of the enactment of this Act, the Attorney General  
21 shall create an online portal and telephone hotline,  
22 that are to be used exclusively for the purpose of re-  
23 porting sufficient information to allow the Federal  
24 Bureau of Investigation to prioritize background  
25 checks in accordance with section 40901 of title 34,  
26 United States Code.

1 (b) PRIORITIZATION OF NICS BACKGROUND CHECKS  
2 RELATING TO DEFAULT FIREARM TRANSFERS.—Section  
3 103 of the Brady Handgun Violence Prevention Act (34  
4 U.S.C. 40901) is amended by adding at the end the fol-  
5 lowing:

6 “(m) PRIORITIZATION OF BACKGROUND CHECKS RE-  
7 LATED TO DEFAULT FIREARM TRANSFERS.—In the case  
8 of a transfer referred to in section 922(t)(7) of title 18,  
9 United States Code, the system established under this sec-  
10 tion shall give priority to completing the background check  
11 relating to the transfer.”.

12 (c) PROHIBITION ON DESTRUCTION OF RECORDS  
13 RELATING TO FIREARM TRANSFER BEFORE COMPLETION  
14 OF BACKGROUND CHECK.—Section 103 of the Brady  
15 Handgun Violence Prevention Act (34 U.S.C. 40901), as  
16 amended by subsection (b) of this section, is amended by  
17 adding at the end the following:

18 “(n) PROHIBITION ON DESTRUCTION OF RECORDS  
19 RELATING TO FIREARM TRANSFER BEFORE COMPLETION  
20 OF RELATED BACKGROUND CHECK.—The system estab-  
21 lished under this section may not destroy any records of  
22 the system relating to a proposed or completed firearm  
23 transfer, before completion of the criminal background  
24 check with respect to the prospective or actual trans-  
25 feree.”.

1 **SEC. 3. ANNUAL REPORTS ON DEFAULT FIREARM TRANS-**  
2 **FERS.**

3 (a) IN GENERAL.—Within 300 days after the date  
4 of the enactment of this Act and annually thereafter, the  
5 Director of the Federal Bureau of Investigation shall  
6 make accessible to the public a written report on—

7 (1) the number of firearms transferred as de-  
8 scribed in section 922(t)(7) of title 18, United  
9 States Code, during the period covered by the re-  
10 port, disaggregated by State;

11 (2) the number of the firearms described in  
12 paragraph (1) of this subsection with respect to  
13 which the national instant criminal background  
14 check system established under section 103 of the  
15 Brady Handgun Violence Prevention Act completed  
16 the background check;

17 (3) of the number described by paragraph (2)  
18 of this subsection—

19 (A) the number with respect to which the  
20 system provided the unique identification num-  
21 ber under subparagraph (B)(i) or (C)(i) of sec-  
22 tion 922(t)(1) of such title;

23 (B) the number with respect to which in-  
24 formation available to the system demonstrated  
25 that transfer of a firearm to, or receipt of a  
26 firearm by, the transferee would violate sub-

1 section (d), (g), or (n) of section 922 of such  
2 title or State, local, or tribal law; and

3 (C) in each case described by subpara-  
4 graph (B) of this paragraph, the reason for in-  
5 dicating that the receipt would be a violation re-  
6 ferred to in such subparagraph (B), including  
7 any specific prohibiting criteria that would bar  
8 the transferee from receipt of a firearm or a li-  
9 censee from transferring a firearm;

10 (4) of the number described by paragraph  
11 (3)(B) of this subsection, the number of firearms  
12 that were retrieved from the transferee, and the  
13 number of firearms that were not retrieved from the  
14 transferee, with each number disaggregated by the  
15 field division of the Bureau of Alcohol, Tobacco,  
16 Firearms and Explosives and the State involved;

17 (5) in the case of the first report under this  
18 section, the number of requests for criminal back-  
19 ground checks received by the system in the pre-  
20 ceding 5 years the records of which were purged  
21 from the system without resolution; and

22 (6) the number of licensed importers, licensed  
23 manufacturers, or licensed dealers who transferred  
24 firearms as described in section 922(t)(7) of such

1 title during the period covered by the report,  
2 disaggregated by the State of sale.

3 (b) IN GENERAL.—Within 300 days after the date  
4 of the enactment of this Act and annually thereafter, the  
5 Director of the Bureau of Alcohol, Tobacco, Firearms and  
6 Explosives shall make accessible to the public a written  
7 report on—

8 (1) the average time between receipt and recov-  
9 ery of a firearm transferred as described in section  
10 922(t)(7) of title 18, United States Code, during the  
11 period covered by the report, where the transfer to,  
12 or receipt by, the transferee violated subsection (d),  
13 (g), or (n) of section 922 of such title or State, local,  
14 or tribal law;

15 (2) the number of firearms transferred as de-  
16 scribed in such section 922(t)(7) during the period  
17 covered by the report, that were recovered as part of  
18 a criminal investigation, where receipt by the trans-  
19 feree violated such subsection (d), (g), or (n) or  
20 State, local, or tribal law, disaggregated by State;  
21 and

22 (3) of the number described by paragraph (2)  
23 of this subsection—

24 (A) the total number of firearms that were  
25 recovered by law enforcement in States other

1 than the State the firearm was transferred by  
2 a licensed importer, licensed manufacturer, or  
3 licensed dealer as described in such section  
4 922(t); and

5 (B) the information outlined in subpara-  
6 graph (A) of this paragraph, disaggregated  
7 by—

8 (i) the State where the firearm was  
9 recovered; and

10 (ii) the State where the firearm was  
11 transferred as described in such section  
12 922(t).

13 (c) RULE OF INTERPRETATION.—A report under  
14 subsection (a) shall be considered an annual statistical re-  
15 port and statistical aggregate data for purposes of the  
16 sixth proviso under the heading “BUREAU OF ALCOHOL,  
17 TOBACCO, FIREARMS AND EXPLOSIVES—SALARIES AND  
18 EXPENSES” in the Department of Justice Appropriations  
19 Act, 2012 (title II of division B of Public Law 112–55).

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