

119TH CONGRESS
1ST SESSION

H. R. 2618

To modernize the business of selling firearms.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2025

Ms. KELLY of Illinois (for herself, Mr. AMO, Ms. ANSARI, Mr. AUCHINCLOSS, Ms. BARRAGÁN, Mrs. BEATTY, Mr. BELL, Ms. BONAMICI, Mr. BOYLE of Pennsylvania, Ms. BROWNLEY, Mr. CARTER of Louisiana, Mr. CASTEN, Mrs. CHERFILUS-McCORMICK, Ms. CLARKE of New York, Mr. CLEAVER, Mr. CONNOLLY, Mr. COSTA, Ms. CROCKETT, Mr. DAVIS of Illinois, Ms. DEGETTE, Mrs. DINGELL, Mr. FROST, Ms. GARCIA of Texas, Mr. GOLDMAN of New York, Mr. JOHNSON of Georgia, Mr. KENNEDY of New York, Mr. KHANNA, Mr. KRISHNAMOORTHY, Mr. LYNCH, Ms. MCBRIDE, Ms. MCCOLLUM, Mr. MCGARVEY, Mrs. MCIVER, Mr. MOULTON, Mr. MURPHY, Mr. MULLIN, Mr. NEGUSE, Ms. NORTON, Mr. PETERS, Mr. QUIGLEY, Mrs. RAMIREZ, Ms. SCANLON, Ms. SCHAKOWSKY, Mr. SCHNEIDER, Ms. STANSBURY, Mr. SUBRAMANYAM, Mr. THANEDAR, Ms. TITUS, Ms. TOKUDA, Mr. TORRES of New York, Ms. LEE of Pennsylvania, Ms. JOHNSON of Texas, Mr. EVANS of Pennsylvania, Mr. DAVID SCOTT of Georgia, Ms. OCASIO-CORTEZ, Ms. TLAIB, Ms. DEAN of Pennsylvania, Mr. MAGAZINER, Mr. MORELLE, and Mr. PANETTA) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To modernize the business of selling firearms.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Federal Firearm Licensee Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Repeal of temporary Brady provision.
- Sec. 5. Physical security of licensee premises.
- Sec. 6. Business inventory firearms.
- Sec. 7. Electronic records.
- Sec. 8. Notification of default transfers.
- Sec. 9. Multiple firearm sales records and reports.
- Sec. 10. Safety devices and warnings to purchasers.
- Sec. 11. Inspections.
- Sec. 12. Authority with regard to license issuance and renewal.
- Sec. 13. Increased licensing fees.
- Sec. 14. Elimination of obligatory stay of effective date of license revocation.
- Sec. 15. Elimination of relief for dealers indicted for a crime punishable by imprisonment for a term exceeding one year.
- Sec. 16. Elimination of relief while Federal disability relief application pending.
- Sec. 17. Presumption of knowledge of State law in sale of long guns to residents of another State.
- Sec. 18. Increased penalties for knowing transfer of firearm without conducting a background check.
- Sec. 19. Unlawful acts upon incurring Federal disability or notice of license suspension, revocation, or denied renewal.
- Sec. 20. Regulation of facilitators of firearm transfers.
- Sec. 21. Dealer and employee background checks.
- Sec. 22. Liability standards.
- Sec. 23. Civil enforcement.
- Sec. 24. Removal of bar on civil proceedings if criminal proceedings terminated.
- Sec. 25. Repeal of certain limitations.
- Sec. 26. Authority to hire additional industry operation investigators for Bureau of Alcohol, Tobacco, Firearms, and Explosives.
- Sec. 27. Report on implementation of this Act.
- Sec. 28. Annual licensed dealer inspections report and analysis.
- Sec. 29. Deadline for issuance of final regulations.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

- 8 (1) A growing body of evidence demonstrates
9 that firearm dealers’ sales practices affect the prob-
10 ability of firearms getting to criminals and that poli-

1 cies designed to hold firearm sellers accountable can
2 curtail the diversion of firearms to criminals.

3 (2) Federal laws governing firearm dealers—

4 (A) have not been updated in more than
5 30 years;

6 (B) contain safeguards that protect dealers
7 who engage in illegal practices from adverse en-
8 forcement action;

9 (C) frustrate law enforcement efforts to
10 curb firearm trafficking and violence; and

11 (D) are, thus, inadequate to meet the reali-
12 ties of the 21st century.

13 (3)(A) The Tiahrt Amendments, for one—

14 (i) severely limit the authority of the Bu-
15 reau of Alcohol, Tobacco, Firearms, and Explo-
16 sives (commonly known as the “ATF”) to dis-
17 close crime firearm trace data to the public;

18 (ii) prevent—

19 (I) the collection of valuable informa-
20 tion; and

21 (II) the establishment of effective poli-
22 cies to prevent illegal firearms from being
23 used in crimes; and

24 (iii) impede enforcement of the firearm
25 laws by—

1 (I) requiring most background check
2 records to be destroyed within 24 hours;
3 and

4 (II) barring the Government from re-
5 quiring owners of firearm shops to conduct
6 annual inventory audits.

7 (B) Repealing the Tiahrt Amendments would
8 support law enforcement efforts and give the public
9 vital information needed to craft the most effective
10 policies against illegal firearms.

11 (4) Additionally, Federal law imposes no re-
12 quirements that firearm dealers physically secure
13 their highly valuable and lethal inventory. The num-
14 ber of firearm thefts from licensed firearm dealers
15 has increased more than the number from any other
16 source. Between 2013 and 2017, the number of fire-
17 arms stolen in firearm-dealer burglaries more than
18 doubled and the number of firearms stolen in fire-
19 arm-dealer robberies tripled.

20 **SEC. 3. DEFINITIONS.**

21 Section 921(a) of title 18, United States Code, is
22 amended by adding at the end the following:

23 “(38) The term ‘facilitator’ means any person en-
24 gaged in the business of hosting a commercial marketplace
25 in which offers for firearm sales, purchases, or other

1 transfers are allowed to be made, except that such a per-
2 son shall not be considered to be a facilitator with respect
3 to any transaction that is made through the use of a
4 website or mobile application owned or operated by the
5 person if—

6 “(A) the transaction violates the terms of serv-
7 ice of the website or mobile application; and

8 “(B) the person has made a good faith effort
9 to enforce the terms of service by, at a minimum,
10 auditing firearms transactions on a quarterly basis
11 to ensure compliance with this chapter.

12 “(39) The term ‘occasional’ means, with respect to
13 transactions, fewer than 5 transactions in a 12-month pe-
14 riod.

15 “(40) The term ‘personal collection’ includes any fire-
16 arm obtained only for the personal use of an individual
17 and not for the purpose of selling or trading, except that
18 a firearm obtained through inheritance shall not be consid-
19 ered part of a personal collection until the firearm has
20 been possessed for 1 year.

21 “(41) The term ‘business inventory firearm’ means,
22 with respect to a person, a firearm required by law to be
23 recorded in the acquisition and disposition logs of any fire-
24 arms business of the person.

1 “(42)(A) The term ‘frame’ means the part of a hand-
2 gun, or a variant thereof, that provides housing or a struc-
3 ture for the primary energized component designed to hold
4 back the hammer, striker, bolt, or similar component prior
5 to initiation of the firing sequence (such as a sear or the
6 equivalent), even if pins or other attachments are required
7 to connect such component to the housing or structure.

8 “(B) The term ‘receiver’ means the part of a rifle,
9 shotgun, or projectile weapon other than a handgun, or
10 a variant thereof, that provides housing or a structure for
11 the primary component designed to block or seal the
12 breech prior to initiation of the firing sequence (such as
13 a bolt, breechblock, or the equivalent), even if pins or other
14 attachments are required to connect such component to
15 the housing or structure.

16 “(C) For purposes of this paragraph, the term ‘vari-
17 ant’ means a weapon utilizing a similar frame or receiver
18 design irrespective of new or different model designations
19 or configurations, characteristics, features, components,
20 accessories, or attachments. For example, an AK-type fire-
21 arm with a short stock and a pistol grip is a pistol variant
22 of an AK-type rifle, an AR-type firearm with a short stock
23 and a pistol grip is a pistol variant of an AR-type rifle,
24 and a revolving cylinder shotgun is a shotgun variant of
25 a revolver.

1 “(43) The term ‘semiautomatic shotgun’ means any
2 repeating shotgun that—

3 “(A) utilizes a portion of the energy of a firing
4 shell to extract the fired shell casing and chamber
5 the next round; and

6 “(B) requires a separate pull of the trigger to
7 fire each shell.”.

8 **SEC. 4. REPEAL OF TEMPORARY BRADY PROVISION.**

9 (a) IN GENERAL.—Section 922 of title 18, United
10 States Code, is amended by striking subsection (s).

11 (b) CONFORMING AMENDMENTS.—Chapter 44 of
12 title 18, United States Code, is amended—

13 (1) in section 922—

14 (A) in subsection (t)—

15 (i) in paragraph (3)(C)(ii), by striking

16 “(as defined in subsection (s)(8))”; and

17 (ii) by adding at the end the fol-
18 lowing:

19 “(8) For purposes of this subsection, the term ‘chief
20 law enforcement officer’ means the chief of police, the
21 sheriff, or an equivalent officer or the designee of any such
22 individual.”; and

23 (B) in subsection (y)(2), in the matter pre-
24 ceding subparagraph (A), by striking “,

1 (g)(5)(B), and (s)(3)(B)(v)(II)” and inserting
 2 “and (g)(5)(B)”;

3 (2) in section 924(a)(5), by striking “subsection
 4 (s) or (t) of section 922” and inserting “section
 5 922(t)”;

6 (3) in section 925A, in the matter preceding
 7 paragraph (1), by striking “subsection (s) or (t) of
 8 section 922” and inserting “section 922(t)”.

9 **SEC. 5. PHYSICAL SECURITY OF LICENSEE PREMISES.**

10 (a) SECURITY PLAN SUBMISSION REQUIREMENT.—

11 (1) IN GENERAL.—Section 923(d)(1)(G) of title
 12 18, United States Code, is amended—

13 (A) by striking “, the applicant” and in-
 14 serting the following: “—

15 “(i) the applicant”;

16 (B) by striking the period at the end and
 17 inserting “; and”; and

18 (C) by adding at the end the following:

19 “(ii) the applicant—

20 “(I) submits with the application a se-
 21 curity plan that describes how the appli-
 22 cant will secure, in accordance with the
 23 regulations issued under section 926(d),
 24 the premises from which the applicant will
 25 conduct business under the license (includ-

ing in the event of a natural disaster or
other emergency); and

“(II) certifies that, if issued such a li-
cense, the applicant will comply with the
plan described in subclause (I).”.

(2) WRITTEN APPROVAL REQUIRED BEFORE LI-
CENSE RENEWAL.—Section 923(d)(1) of title 18,
United States Code, is amended—

(A) in subparagraph (F), by striking
“and” at the end;

(B) in subparagraph (G), as amended by
paragraph (1), by striking the period at the end
and inserting “; and”; and

(C) by adding at the end the following:

“(H) in the case of an application to renew a
license to deal in firearms—

“(i) the license is not suspended;

“(ii) no license issued to the applicant
under this chapter has been revoked; and

“(iii) the Attorney General has inspected
the premises and provided written approval of
the security plan submitted by the applicant
under subparagraph (G)(ii)(I).”.

(3) APPLICABILITY TO EXISTING DEALERS
WHOSE LICENSE WILL EXPIRE .—

1 (A) IN GENERAL.—If, not later than 1
2 year after the date on which regulations are
3 prescribed under section 926(d) of title 18,
4 United States Code (as added by subsection (c)
5 of this section), a person described in subpara-
6 graph (B) of this paragraph submits to the At-
7 torney General a security plan described in
8 clause (ii)(I) of section 923(d)(1)(G) of that
9 title (as added by paragraph (1) of this sub-
10 section), the security plan shall be considered to
11 have been submitted in accordance with such
12 section 923(d)(1)(G).

13 (B) PERSON DESCRIBED.—A person de-
14 scribed in this subparagraph is a person—

15 (i) who, on the date of enactment of
16 this Act, is a licensed dealer (as defined in
17 section 921(a)(11) of title 18, United
18 States Code); and

19 (ii) whose license to deal in firearms
20 issued under chapter 44 of title 18, United
21 States Code, will expire on or after the
22 date that is 1 year after the date on which
23 regulations are prescribed under section
24 926(d) of that title (as added by sub-
25 section (c) of this section).

1 (b) ANNUAL COMPLIANCE CERTIFICATION REQUIRE-
2 MENT.—

3 (1) IN GENERAL.—Section 923 of title 18,
4 United States Code, is amended by adding at the
5 end the following:

6 “(m) ANNUAL CERTIFICATION.—

7 “(1) IN GENERAL.—Each licensed manufac-
8 turer, licensed importer, and licensed dealer shall—

9 “(A) annually certify to the Attorney Gen-
10 eral that each premises from which the licensee
11 conducts business subject to license under this
12 chapter is in compliance with the regulations
13 prescribed under section 926(d); and

14 “(B) in the case of a licensed dealer, in-
15 clude with the certification under subparagraph
16 (A)—

17 “(i) the results of a reconciliation of
18 the resale firearms then in the business in-
19 ventory of the licensee against the resale
20 firearms in the business inventory of the li-
21 censee at the time of the most recent prior
22 certification (if any) under this paragraph;
23 and

24 “(ii) all dispositions and acquisitions
25 of resale firearms in the year covered by

1 the certification, identifying and reporting
2 any missing firearm.

3 “(2) CIVIL PENALTY.—The Attorney General
4 shall impose a civil penalty of not more than \$5,000
5 on, and may suspend the license issued under this
6 section to, a licensee who fails to comply with para-
7 graph (1).”.

8 (2) APPLICABILITY.—In the case of a person
9 who, on the date of enactment of this Act, is a li-
10 censee referred to in section 923(m) of title 18,
11 United States Code (as added by paragraph (1)),
12 such section 923(m) shall apply to the person on
13 and after the date that is 1 year after the date on
14 which regulations are prescribed under subsection
15 (d) of section 926 of that title (as added by sub-
16 section (c)(1)).

17 (c) REGULATIONS.—

18 (1) IN GENERAL.—Section 926 of title 18,
19 United States Code, is amended by adding at the
20 end the following:

21 “(d) SECURING PREMISES FROM THEFT.—The At-
22 torney General shall prescribe such regulations as are nec-
23 essary to ensure that any premises at which a licensee re-
24 ferred to in section 923(m) conducts business is secure
25 from theft, which shall include requiring—

1 “(1) compliance with the security plan sub-
2 mitted by the licensee pursuant to section
3 923(d)(1)(G)(ii)(I), if applicable;

4 “(2) the use of locked metal cabinets and fire-
5 proof safes;

6 “(3) security systems, video monitoring, and
7 anti-theft alarms;

8 “(4) security gates, strong locks, and site hard-
9 ening;

10 “(5) concrete bollards and other access controls,
11 if necessary; and

12 “(6) the use of any other security-enhancing
13 features appropriate for the specific circumstances of
14 the licensee.”.

15 (2) APPLICABILITY.—The regulations pre-
16 scribed under section 926(d) of title 18, United
17 States Code, as added by paragraph (1), shall not
18 apply to a person who, on the date of the enactment
19 of this Act, is a licensee referred to in section
20 923(m) of that title, until the date that is 1 year
21 after the date on which the regulations are pre-
22 scribed.

23 **SEC. 6. BUSINESS INVENTORY FIREARMS.**

24 (a) REQUIREMENT TO TRANSFER FIREARM IN PER-
25 SONAL COLLECTION TO BUSINESS INVENTORY BEFORE

1 DISPOSITION.—Section 923(c) of title 18, United States
2 Code, is amended—

3 (1) by striking the second sentence and insert-
4 ing the following: “Nothing in this chapter shall be
5 construed to prohibit a licensed manufacturer, li-
6 censed importer, or licensed dealer from maintaining
7 a personal collection of firearms.”;

8 (2) by striking the third sentence; and

9 (3) by adding at the end the following: “Any
10 firearm disposed of by a licensee shall be from the
11 business inventory of the licensee.”

12 (b) LICENSEE FIREARMS INVENTORY.—Section
13 923(g) of title 18, United States Code, is amended by add-
14 ing at the end the following:

15 “(8)(A) Each quarter, a licensee shall conduct a
16 physical check of the firearms inventory of the business
17 of the licensee licensed under this chapter and report to
18 the Attorney General and appropriate local authorities any
19 firearm that is lost, stolen, or unaccounted for.

20 “(B) The Attorney General shall prescribe regula-
21 tions to implement the requirements under subparagraph
22 (A), which shall require, at a minimum, that a licensee
23 record, for each firearm in the inventory of the licensee—

24 “(i) the date of receipt of the firearm;

1 “(ii) the name, address, and license number, if
2 applicable, of the person from whom the firearm was
3 received;

4 “(iii) the name of the manufacturer and, if ap-
5 plicable, importer of the firearm;

6 “(iv) the model, serial number, type, and caliber
7 or gauge of the firearm; and

8 “(v) the date of the sale or other disposition of
9 the firearm.

10 “(C) Nothing in this paragraph shall be construed to
11 prohibit the Attorney General from, at any time, requiring
12 the regular or one-time submission of the inventory
13 records of a licensee to ensure that the licensee is in com-
14 pliance with this chapter.”.

15 (c) REPEAL OF LIMITATIONS ON IMPOSITION OF RE-
16 QUIREMENT THAT FIREARMS DEALERS CONDUCT PHYS-
17 ICAL CHECK OF FIREARMS INVENTORY.—

18 (1) FISCAL YEAR 2013.—The fifth proviso under
19 the heading “SALARIES AND EXPENSES” under the
20 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
21 ARMS AND EXPLOSIVES” in title II of division B of
22 the Consolidated and Further Continuing Appropria-
23 tions Act, 2013 (18 U.S.C. 923 note; Public Law
24 113–6; 127 Stat. 248) is amended by striking “and
25 any fiscal year thereafter”.

1 (2) FISCAL YEAR 2012.—The matter under the
2 heading “SALARIES AND EXPENSES” under the
3 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
4 ARMS AND EXPLOSIVES” in title II of division B of
5 the Consolidated and Further Continuing Appropria-
6 tions Act, 2012 (Public Law 112–55; 125 Stat. 609)
7 is amended by striking the seventh proviso.

8 (3) FISCAL YEAR 2010.—The seventh proviso
9 under the heading “SALARIES AND EXPENSES”
10 under the heading “BUREAU OF ALCOHOL, TO-
11 BACCO, FIREARMS AND EXPLOSIVES” in title II of
12 division B of the Consolidated Appropriations Act,
13 2010 (Public Law 111–117; 123 Stat. 3129) is
14 amended by striking “or any other”.

15 (4) FISCAL YEAR 2009.—The seventh proviso
16 under the heading “SALARIES AND EXPENSES”
17 under the heading “BUREAU OF ALCOHOL, TO-
18 BACCO, FIREARMS AND EXPLOSIVES” in title II of
19 division B of the Omnibus Appropriations Act, 2009
20 (Public Law 111–8; 123 Stat. 575) is amended by
21 striking “or any other”.

22 (5) FISCAL YEAR 2008.—The seventh proviso
23 under the heading “SALARIES AND EXPENSES”
24 under the heading “BUREAU OF ALCOHOL, TO-
25 BACCO, FIREARMS AND EXPLOSIVES” in title II of

1 division B of the Consolidated Appropriations Act,
2 2008 (Public Law 110–161; 121 Stat. 1904) is
3 amended by striking “or any other”.

4 (6) FISCAL YEAR 2006.—The seventh proviso
5 under the heading “SALARIES AND EXPENSES”
6 under the heading “BUREAU OF ALCOHOL, TO-
7 BACCO, FIREARMS AND EXPLOSIVES” in title I of
8 the Science, State, Justice, Commerce, and Related
9 Agencies Appropriations Act, 2006 (Public Law
10 109–108; 119 Stat. 2296) is amended by striking
11 “or any other”.

12 (7) FISCAL YEAR 2005.—The seventh proviso
13 under the heading “SALARIES AND EXPENSES”
14 under the heading “BUREAU OF ALCOHOL, TO-
15 BACCO, FIREARMS AND EXPLOSIVES” in title I of di-
16 vision B of the Consolidated Appropriations Act,
17 2005 (Public Law 108–447; 118 Stat. 2860) is
18 amended by striking “or any other”.

19 (8) FISCAL YEAR 2004.—The seventh proviso
20 under the heading “SALARIES AND EXPENSES”
21 under the heading “BUREAU OF ALCOHOL, TO-
22 BACCO, FIREARMS AND EXPLOSIVES” in title I of di-
23 vision B of the Consolidated Appropriations Act,
24 2004 (Public Law 108–199; 118 Stat. 53) is amend-
25 ed by striking “or any other”.

1 **SEC. 7. ELECTRONIC RECORDS.**

2 (a) RECORDS RETENTION AND SUBMISSION.—Sec-
3 tion 923(g) of title 18, United States Code, is amended—

4 (1) in paragraph (1)(A)—

5 (A) in the first sentence, by inserting be-
6 fore the period at the end the following: “, ex-
7 cept that, notwithstanding any other provision
8 of law, on and after the date that is 1 year
9 after the date of enactment of the Federal Fire-
10 arm Licensee Act, records prepared by a li-
11 censee under this chapter of the sale or other
12 disposition of firearms, including each firearms
13 transaction record, and the corresponding
14 record of receipt of such firearms, shall be re-
15 tained at the business premises readily acces-
16 sible for inspection under this chapter until the
17 business is discontinued”; and

18 (B) by striking the second sentence;

19 (2) in paragraph (5)(A), by inserting “or elec-
20 tronically as may be” after “submit on a form”; and

21 (3) in paragraph (7), by inserting “, electroni-
22 cally,” after “orally”.

23 (b) RECORDS DATABASES.—Section 923(g) of title
24 18, United States Code, as amended by section 6, is
25 amended by adding at the end the following:

1 “(9)(A) Not later than 3 years after the date of en-
2 actment of this paragraph, the National Tracing Center
3 of the Bureau of Alcohol, Tobacco, Firearms, and Explo-
4 sives shall establish and maintain electronic, searchable
5 databases of all records regarding the importation, pro-
6 duction, shipment, receipt, sale, or other disposition of
7 firearms required to be submitted by licensees to the At-
8 torney General under this chapter.

9 “(B) Each licensee under this chapter may provide
10 the National Tracing Center with electronic access, con-
11 sistent with the requirements of this paragraph, to all
12 records within the possession of the licensee that are re-
13 quired to be kept under this chapter.

14 “(C) The National Tracing Center—

15 “(i) shall have remote access to query, search,
16 or otherwise access the electronic databases de-
17 scribed in subparagraph (A); and

18 “(ii) with the permission of a State, or political
19 subdivision of a State, may query, search, or other-
20 wise access the databases of the firearms registra-
21 tion system or pawnbroker records system of the
22 State or political subdivision.

23 “(D) The National Tracing Center may query,
24 search, or otherwise access the electronic databases de-
25 scribed in subparagraph (A) only to obtain information re-

1 lated to any Federal, State, local, tribal, or foreign crimi-
2 nal investigation.

3 “(E) The electronic databases established under sub-
4 paragraph (A)—

5 “(i) shall be electronically searchable by date of
6 disposition, license number, and the information
7 identified on each firearm or other firearm
8 descriptor, including the manufacturer, importer,
9 model, serial number, type, and caliber or gauge;

10 “(ii) shall not be electronically searchable by
11 the personally identifiable information of any indi-
12 vidual, without a warrant authorizing such a search;
13 and

14 “(iii) shall include in search results the entire
15 contents of the relevant records kept by the li-
16 censee.”.

17 (c) VIDEO RECORDINGS OF SALES AND TRANS-
18 FERS.—Section 923(g) of title 18, United States Code, as
19 amended by subsection (b), is amended by adding at the
20 end the following:

21 “(10) In accordance with regulations promulgated by
22 the Attorney General, each licensed dealer operating a lo-
23 cation at which firearms are sold to a person not licensed
24 under this chapter shall—

1 “(A) maintain video surveillance of all areas
2 within each premises where firearms in the business
3 inventory of the licensee are sold or transferred;

4 “(B) retain records of the surveillance, includ-
5 ing any sound recording obtained from the surveil-
6 lance, for a period of not less than 90 days; and

7 “(C) post a sign in a conspicuous place and at
8 each public entrance to the retail location, in block
9 letters not less than 1 inch in height, stating that
10 the premises are under video surveillance.”.

11 (d) INCREASED PENALTIES FOR LICENSEE VIOLA-
12 TIONS RELATING TO ACQUISITION AND DISPOSITION
13 RECORDS.—Section 924(a)(3) of title 18, United States
14 Code, is amended—

15 (1) by redesignating subparagraphs (A) and
16 (B) as clauses (i) and (ii), respectively, and adjust-
17 ing the margins accordingly;

18 (2) by moving the matter following clause (ii)
19 (as so redesignated) 2 ems to the right;

20 (3) in the matter following clause (ii) (as so re-
21 designated), by striking “one year” and inserting “5
22 years”;

23 (4) by inserting “(A)” after “(3)”; and

24 (5) by adding at the end the following:

1 “(B) If the conduct described in clause (i) or (ii) of
 2 subparagraph (A) is in relation to an offense under sub-
 3 section (a)(6) or (d) of section 922, the licensed dealer,
 4 licensed importer, licensed manufacturer, or licensed col-
 5 lector shall be fined under this title, imprisoned not more
 6 than 10 years, or both.”.

7 (e) ELIMINATION OF LIMITATION ON CENTRALIZING
 8 RECORDS.—Section 926(a) of title 18, United States
 9 Code, is amended, in the matter following paragraph (3)—

10 (1) in the first sentence, by striking “records
 11 required to be maintained under this chapter or any
 12 portion of the contents of such records, be recorded
 13 at or transferred to a facility owned, managed, or
 14 controlled by the United States or any State or any
 15 political subdivision thereof, nor that”; and

16 (2) in the second sentence, by striking “Sec-
 17 retary’s” and inserting “Attorney General’s”.

18 (f) ELECTRONIC RECORDKEEPING ADOPTION AND
 19 IMPLEMENTATION.—Section 926 of title 18, United
 20 States Code, as amended by section 5, is amended by add-
 21 ing at the end the following:

22 “(e) FACILITATION OF ELECTRONIC RECORD-
 23 KEEPING.—The Attorney General—

24 “(1) shall facilitate and incentivize the conver-
 25 sion to, and adoption of, electronic recordkeeping so-

1 lutions by licensees that enable electronic completion
2 and submission to the Attorney General of all
3 records required to be maintained under this chap-
4 ter;

5 “(2) shall facilitate—

6 “(A) digital capture of paper records of li-
7 censed dealers; and

8 “(B) the integration and indexing of data
9 onto a platform accessible by law enforcement
10 authorities for purposes of investigating a vio-
11 lent crime or crime gun trace;

12 “(3) shall facilitate, with respect to the elec-
13 tronic databases established under section
14 923(g)(9)(A)—

15 “(A) remote access to electronic records of
16 licensed dealers by law enforcement authorities
17 for purposes of investigating a violent crime or
18 crime gun trace; and

19 “(B) access by licensed dealers to only
20 their own records; and

21 “(4) may not remotely access or search elec-
22 tronic records of licensed dealers without a warrant
23 authorizing such a search.”.

1 **SEC. 8. NOTIFICATION OF DEFAULT TRANSFERS.**

2 Section 922(t)(1) of title 18, United States Code, is
3 amended—

4 (1) in subparagraph (C), by striking “and” at
5 the end;

6 (2) in subparagraph (D), by striking the period
7 at the end and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(E) in the case of a transfer conducted pursu-
10 ant to subparagraph (B)(ii) or clause (ii) or (iii) of
11 subparagraph (C), the licensee notifies the Attorney
12 General, not later than the close of business on the
13 day on which the firearm is transferred, that the
14 firearm has been transferred to the person.”.

15 **SEC. 9. MULTIPLE FIREARM SALES RECORDS AND RE-**
16 **PORTS.**

17 (a) EXPANDING REPORTING REQUIREMENT TO CER-
18 TAIN LONG GUNS.—Section 923(g)(3)(A) of title 18,
19 United States Code, is amended—

20 (1) in the first sentence, by striking “pistols, or
21 revolvers, or any combination of pistols and revolv-
22 ers” and inserting “pistols, revolvers, semiautomatic
23 rifles or shotguns, or rifles or shotguns capable of
24 accepting a high capacity magazine, or any combina-
25 tion of such weapons”; and

1 (2) by inserting after the first sentence the fol-
2 lowing: “In the preceding sentence, the term ‘high
3 capacity magazine’ means a magazine capable of
4 holding more than 10 rounds of ammunition, and in-
5 cludes a magazine that may be readily converted to
6 hold more than 10 rounds of ammunition.”.

7 (b) REQUIREMENT TO RETAIN INSTANT CRIMINAL
8 BACKGROUND CHECK RECORDS FOR 90 BUSINESS
9 DAYS.—Section 922(t)(2)(C) of title 18, United States
10 Code, is amended—

11 (1) by striking “destroy” and inserting “retain
12 for not less than 90 business days”;

13 (2) by striking “(other than the identifying
14 number and the date the number was assigned)”;
15 and

16 (3) by inserting before the period at the end the
17 following: “solely for purposes related to discovering
18 misuse or avoidance of the national instant criminal
19 background check system or ensuring its proper op-
20 eration”.

21 (c) ATTORNEY GENERAL REPORTS OF MULTIPLE
22 SALES BY NON-LICENSEES.—Section 923(g)(3) of title
23 18, United States Code, is amended—

24 (1) by redesignating subparagraph (B) as sub-
25 paragraph (C); and

1 (2) by inserting after subparagraph (A) the fol-
2 lowing:

3 “(B)(i) The Attorney General shall prepare a report
4 of multiple dispositions of firearms to persons not licensed
5 under this chapter, which shall include the names and
6 identifying information of transferees appearing in the
7 records retained under section 922(t)(2)(C) on 2 or more
8 occasions in any period of 5 consecutive business days.

9 “(ii) The report described in clause (i) shall be pre-
10 pared on a form substantially similar to the form created
11 pursuant to subparagraph (A) and include the names and
12 addresses of the licensees who requested the background
13 checks under subsection (t).

14 “(iii) The Attorney General shall forward the report
15 described in clause (i) to the office designated pursuant
16 to subparagraph (A) and to the departments of State po-
17 lice or State law enforcement agencies of the State or local
18 law enforcement agencies of the local jurisdictions in
19 which the sales or other dispositions took place, not later
20 than the close of business on the date of the most recent
21 such sale or other disposition.”.

22 (d) RECORDS RETENTION TO INVESTIGATE CRIME
23 GUNS.—Section 923(g)(3)(C) of title 18, United States
24 Code, as redesignated by subsection (c)(1) of this section,
25 is amended—

1 (1) in the first sentence—

2 (A) by inserting “a firearm involved in a
3 crime or” after “Except in the case of forms
4 and contents thereof regarding”; and

5 (B) by striking “, and shall destroy each
6 such form and any record of the contents there-
7 of no more than 20 days from the date such
8 form is received” and inserting “and shall re-
9 tain each such form and any record of the con-
10 tents of the form for not less than 180 days
11 after the date on which the form is received”;
12 and

13 (2) by striking the second sentence.

14 **SEC. 10. SAFETY DEVICES AND WARNINGS TO PUR-**
15 **CHASERS.**

16 Section 922(z) of title 18, United States Code, is
17 amended—

18 (1) by inserting “AND WARNINGS TO PUR-
19 CHASERS” after “SECURE GUN STORAGE OR SAFE-
20 TY DEVICE”;

21 (2) by striking “handgun” each place it appears
22 and inserting “firearm”; and

23 (3) by adding at the end the following:

24 “(4) WARNINGS TO PURCHASERS.—

“(A) IN GENERAL.—A licensed dealer operating a physical retail location shall post conspicuously within the licensed premises all warnings required to be provided to firearms purchasers under applicable State and local law.

“(B) MATERIALS.—

“(i) DEVELOPMENT AND DISTRIBUTION BY ATTORNEY GENERAL.—The Attorney General shall—

“(I) develop materials regarding suicide prevention, securing firearms from loss, theft, or access by a minor or prohibited person, and straw purchasing; and

“(II) provide the materials developed under subclause (I) to each licensed dealer.

“(ii) DISSEMINATION BY DEALERS.—A licensed dealer shall disseminate the materials described in clause (i) upon transfer of a firearm to a person not licensed under this chapter.”.

SEC. 11. INSPECTIONS.

(a) MANDATED ANNUAL INSPECTIONS OF HIGH-RISK LICENSED DEALERS AND QUINQUENNIAL INSPEC-

1 TIONS OF OTHER LICENSED DEALERS.—Section
 2 923(g)(1)(B) of title 18, United States Code, is amend-
 3 ed—

4 (1) in clause (ii), by redesignating subclauses
 5 (I) and (II) as items (aa) and (bb), respectively, and
 6 adjusting the margins accordingly;

7 (2) by redesignating clauses (i), (ii), and (iii) as
 8 subclauses (I), (II), and (III), respectively, and ad-
 9 justing the margins accordingly;

10 (3) by inserting “(i)” after “(B)”; and

11 (4) by adding at the end the following:

12 “(ii)(I) The Attorney General—

13 “(aa) not less frequently than annually, shall
 14 inspect or examine the inventory, records, and busi-
 15 ness premises of each licensed dealer whom the At-
 16 torney General determines to be a high-risk dealer,
 17 based on considerations that include whether—

18 “(AA) during the preceding 5 years, the
 19 dealer reported a lost or stolen firearm;

20 “(BB) during the preceding 10 years, the
 21 dealer was issued a report of violation, received
 22 a warning letter, or was the subject of a warn-
 23 ing conference; or

24 “(CC) during the preceding year, multiple
 25 firearms were determined to have been used in

1 a crime under Federal, State, or local law with-
2 in 3 years after sale by the dealer; and

3 “(bb) may appoint an attorney to ensure that
4 high-risk dealers comply with all applicable firearm
5 sales laws.

6 “(II) An attorney appointed under subclause (I)(bb)
7 may, with respect to high-risk dealers, use in-store obser-
8 vation, monitor records, conduct random and repeated
9 sales integrity tests, and design and offer instructional
10 programs providing best practices sales training to all em-
11 ployees involved in firearm sales until the attorney cer-
12 tifies to the Attorney General that the high-risk dealer has
13 complied with all applicable firearm sales laws for 3 con-
14 secutive years.

15 “(III) Not later than 180 days after the date on
16 which an inspection or examination under subclause (I)
17 reveals a violation of this section or any regulation pre-
18 scribed under this chapter, and not later than 180 days
19 after a security inspection conducted under paragraph
20 (6)(B)(i) of this subsection, the Attorney General shall
21 conduct an inspection or examination to determine wheth-
22 er the violation identified in the preceding inspection or
23 examination has been cured.

24 “(IV) Not less frequently than once every 5 years,
25 the Attorney General shall inspect or examine the inven-

1 tory, records, and business premises of each licensed deal-
 2 er that the Attorney General has not determined to be
 3 a high-risk dealer under subclause (I).”.

4 (b) ELIMINATION OF LIMIT ON INSPECTION OF LI-
 5 CENSEE RECORDS.—Section 923(g)(1)(B)(i)(II) of title
 6 18, United States Code, as redesignated by subsection (a),
 7 is amended—

8 (1) by striking “—” and all that follows
 9 through “(bb)”;

10 (2) by striking “with respect to records relating
 11 to a firearm involved in a criminal investigation that
 12 is traced to the licensee”.

13 (c) MANDATED SECURITY INSPECTION OF DEALERS
 14 REPORTING LOST OR STOLEN FIREARMS.—Section
 15 923(g)(6) of title 18, United States Code, is amended—

16 (1) by inserting “(A)” after “(6)”;

17 (2) by adding at the end the following:

18 “(B)(i) If the Attorney General receives a report
 19 under subparagraph (A) from a licensed dealer, the Attor-
 20 ney General shall conduct an independent inspection of the
 21 security of the premises at which the theft occurred, which
 22 shall include an inspection of the measures taken to imple-
 23 ment the security plan submitted by the licensed dealer
 24 under subsection (d)(1)(G)(ii).

1 “(ii) On completion of a security inspection under
 2 clause (i), the Attorney General shall provide the licensed
 3 dealer with—

4 “(I) a notice of any violation by the licensed
 5 dealer of any security requirements prescribed under
 6 section 926(d); and

7 “(II) recommendations for improving security
 8 of the premises involved.”.

9 (d) ELIMINATION OF LIMIT ON INSPECTION OF
 10 OTHER PREMISES.—Section 923(j) of title 18, United
 11 States Code, is amended by striking the sixth sentence.

12 **SEC. 12. AUTHORITY WITH REGARD TO LICENSE ISSUANCE**
 13 **AND RENEWAL.**

14 (a) DENIAL AUTHORITY.—Section 923 of title 18,
 15 United States Code, is amended—

16 (1) in subsection (c)—

17 (A) by inserting “(1)” before “Upon”;

18 (B) in the first sentence, by inserting “,
 19 subject to paragraph (2),” after “the Attorney
 20 General shall”; and

21 (C) by adding at the end the following:

22 “(2) The Attorney General shall deny an application
 23 submitted under subsection (a) or (b) if the Attorney Gen-
 24 eral determines that—

1 “(A) issuing the license would pose a danger to
2 public safety; or

3 “(B) the applicant—

4 “(i) is not likely to comply with the law; or

5 “(ii) is otherwise not suitable to be issued
6 a license.”; and

7 (2) in subsection (d)(1)—

8 (A) in the matter preceding subparagraph
9 (A), by striking “shall” and inserting “or re-
10 newal thereof shall, subject to subsection
11 (c)(2),”;

12 (B) in subparagraph (C), by striking “not
13 willfully violated” and inserting “no uncured
14 violations of”; and

15 (C) in subparagraph (F)—

16 (i) in clause (ii), by striking “and” at
17 the end; and

18 (ii) by adding at the end the fol-
19 lowing:

20 “(iv) each employee employed in the
21 business—

22 “(I) will be at least the minimum
23 age at which individuals may possess
24 a firearm in the locality in which the
25 business will be conducted; and

1 “(II) is not prohibited from being
2 transferred a firearm, or transporting,
3 shipping, or receiving firearms or am-
4 munition, in interstate or foreign com-
5 merce by subsection (d), (g), or (n)
6 (as applicable) of section 922 or by
7 State, local, or Tribal law; and”.

8 (b) AUTHORITY TO REVOKE OR SUSPEND LI-
9 CENSES.—Section 923 of title 18, United States Code, is
10 amended—

11 (1) in subsection (e)—

12 (A) in the first sentence, by inserting “or
13 suspend” after “revoke”; and

14 (B) in the third sentence, by striking “Sec-
15 retary’s” and inserting “Attorney General’s”;
16 and

17 (2) in subsection (f)—

18 (A) in paragraph (1)—

19 (i) by inserting “or suspended” after
20 “revoked” each place it appears; and

21 (ii) by inserting “or suspension” after
22 “revocation” each place it appears;

23 (B) in paragraph (2)—

24 (i) by striking “, or revokes” and in-
25 serting “, revokes, or suspends”; and

1 (ii) by striking “or revocation” and
 2 inserting “, revocation, or suspension”;
 3 and

4 (C) in paragraph (3)—

5 (i) by inserting “or suspend” after
 6 “revoke” each place it appears; and

7 (ii) by striking “or revocation” and
 8 inserting “, revocation, or suspension”.

9 (c) AUTHORITY TO PROMULGATE RULES.—Section
 10 926(a) of title 18, United States Code, is amended, in the
 11 matter preceding paragraph (1), by striking “only”.

12 (d) REPEAL OF RIDERS LIMITING USE OF FUNDS
 13 TO DENY LICENSES DUE TO LACK OF BUSINESS ACTIV-
 14 ITY.—

15 (1) FISCAL YEAR 2013.—The matter under the
 16 heading “SALARIES AND EXPENSES” under the
 17 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
 18 ARMS AND EXPLOSIVES” in title II of division B of
 19 the Consolidated and Further Continuing Appropria-
 20 tions Act, 2013 (18 U.S.C. 923 note; Public Law
 21 113–6; 127 Stat. 247) is amended by striking the
 22 sixth proviso.

23 (2) FISCAL YEAR 2012.—The matter under the
 24 heading “SALARIES AND EXPENSES” under the
 25 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-

1 ARMS AND EXPLOSIVES” in title II of division B of
2 the Consolidated and Further Continuing Appropria-
3 tions Act, 2012 (Public Law 112–55; 125 Stat. 609)
4 is amended by striking the ninth proviso.

5 **SEC. 13. INCREASED LICENSING FEES.**

6 (a) FEES FOR LICENSED IMPORTERS, MANUFACTUR-
7 ERS, AND DEALERS IN FIREARMS AND IMPORTERS AND
8 MANUFACTURERS OF AMMUNITION.—Section 923(a) of
9 title 18, United States Code, is amended—

10 (1) in paragraph (1)—

11 (A) in subparagraph (A), by striking
12 “\$1,000” and inserting “\$2,000”;

13 (B) in subparagraph (B), by striking
14 “\$50” and inserting “\$100”; and

15 (C) in subparagraph (C), by striking
16 “\$10” and inserting “\$20”;

17 (2) in paragraph (2)—

18 (A) in subparagraph (A), by striking
19 “\$1,000” and inserting “\$2,000”; and

20 (B) in subparagraph (B), by striking
21 “\$50” and inserting “\$100”; and

22 (3) in paragraph (3)—

23 (A) in subparagraph (A), by striking
24 “\$1,000” and inserting “\$2,000”; and

25 (B) in subparagraph (B)—

- 1 (i) by striking “\$200” and inserting
 2 “\$400”; and
 3 (ii) by striking “\$90” and inserting
 4 “\$180”.

5 (b) FEES FOR LICENSED COLLECTORS.—Section
 6 923(b) of title 18, United States Code, is amended by
 7 striking “\$10” and inserting “\$20”.

8 **SEC. 14. ELIMINATION OF OBLIGATORY STAY OF EFFEC-**
 9 **TIVE DATE OF LICENSE REVOCATION.**

10 Section 923(f)(2) of title 18, United States Code, is
 11 amended, in the second sentence, by striking “shall upon
 12 the request of the holder of the license” and inserting
 13 “may, upon a showing by the holder of the license of good
 14 cause,”.

15 **SEC. 15. ELIMINATION OF RELIEF FOR DEALERS INDICTED**
 16 **FOR A CRIME PUNISHABLE BY IMPRISON-**
 17 **MENT FOR A TERM EXCEEDING ONE YEAR.**

18 (a) IN GENERAL.—Section 925 of title 18, United
 19 States Code, is amended—

- 20 (1) by striking subsection (b); and
 21 (2) by redesignating subsections (c) through (f)
 22 as subsections (b) through (e), respectively.

23 (b) CONFORMING AMENDMENTS.—

1 (1) CHAPTER 44 OF TITLE 18, UNITED STATES
2 CODE.—Chapter 44 of title 18, United States Code,
3 is amended—

4 (A) in section 922—

5 (i) in subsection (d), in the second
6 sentence—

7 (I) by striking “licensed im-
8 porter, licensed manufacturer, licensed
9 dealer, or licensed collector who pur-
10 suant to subsection (b) of section 925
11 is not precluded from dealing in fire-
12 arms or ammunition, or to a”; and

13 (II) by striking “subsection (c) of
14 section 925” and inserting “section
15 925(b)”;

16 (ii) in subsection (l), by striking
17 “925(d) of this chapter” and inserting
18 “925(c)”;

19 (iii) in subsection (r), by striking
20 “925(d)(3) of this chapter” and inserting
21 “925(c)(3)”;

22 (B) in section 925(f), by striking “sub-
23 section (d)” and inserting “subsection (c)”.

24 (2) FOREIGN MILITARY SALES ACT.—Section
25 38(b)(1)(B)(i) of the Foreign Military Sales Act (22

1 U.S.C. 2778(b)(1)(B)(i)) is amended by striking
 2 “925(e)” and inserting “925(d)”.

3 (3) NICS IMPROVEMENT AMENDMENTS ACT OF
 4 2007.—Section 101(c)(2)(A)(iii) of the NICS Im-
 5 provement Amendments Act of 2007 (34 U.S.C.
 6 40911(c)(2)(A)(iii)) is amended by striking “925(c)”
 7 and inserting “925(b)”.

8 (4) ATOMIC ENERGY ACT OF 1954.—Section
 9 161A(b) of the Atomic Energy Act of 1954 (42
 10 U.S.C. 2201a(b)) is amended by striking
 11 “925(d)(3)” and inserting “925(c)(3)”.

12 **SEC. 16. ELIMINATION OF RELIEF WHILE FEDERAL DIS-**
 13 **ABILITY RELIEF APPLICATION PENDING.**

14 Section 925(b) of title 18, United States Code, as so
 15 redesignated by section 15(a) of this Act, is amended by
 16 striking the fourth sentence and inserting the following:
 17 “This subsection shall not be construed to prohibit the At-
 18 torney General from, on a showing by a licensee of good
 19 cause, permitting the licensee to continue operations while
 20 an application for relief from disabilities is pending.”.

1 **SEC. 17. PRESUMPTION OF KNOWLEDGE OF STATE LAW IN**
 2 **SALE OF LONG GUNS TO RESIDENTS OF AN-**
 3 **OTHER STATE.**

4 Section 922(b)(3) of title 18, United States Code, is
 5 amended by striking “in the absence of evidence to the
 6 contrary,”.

7 **SEC. 18. INCREASED PENALTIES FOR KNOWING TRANSFER**
 8 **OF FIREARM WITHOUT CONDUCTING A BACK-**
 9 **GROUND CHECK.**

10 Section 922(t)(5) of title 18, United States Code, is
 11 amended by inserting before the period at the end the fol-
 12 lowing: “in the case of the first violation and, in the case
 13 of a subsequent violation, shall immediately suspend or re-
 14 voke any license issued to the licensee under section 923
 15 and impose on the licensee a civil fine equal to \$20,000”.

16 **SEC. 19. UNLAWFUL ACTS UPON INCURRING FEDERAL DIS-**
 17 **ABILITY OR NOTICE OF LICENSE SUSPEN-**
 18 **SION, REVOCATION, OR DENIED RENEWAL.**

19 (a) RESTRICTIONS.—Section 922 of title 18, United
 20 States Code, is amended by adding at the end the fol-
 21 lowing:

22 “(aa) UNLAWFUL ACTS UPON INCURRING FEDERAL
 23 DISABILITY OR NOTICE OF LICENSE SUSPENSION, REV-
 24 OCATION, OR DENIED RENEWAL.—

25 “(1) IN GENERAL.—It shall be unlawful for a
 26 licensed importer, licensed manufacturer, licensed

1 dealer, licensed collector, or licensed facilitator who
2 incurs a disability imposed by Federal laws with re-
3 spect to the acquisition, receipt, transfer, shipment,
4 transportation, or possession of firearms or ammuni-
5 tion during the term of a license issued under this
6 chapter or while an application to renew such a li-
7 cense is pending, or who has been notified by the At-
8 torney General that a license issued to the licensee
9 under this chapter has been suspended or revoked or
10 that an application of the licensee to renew such a
11 license has been denied, to—

12 “(A) transfer a business inventory fire-
13 arm—

14 “(i) into the personal collection of the
15 licensee; or

16 “(ii) to any person other than a li-
17 censee under this chapter or a Federal,
18 State, or local law enforcement agency; or

19 “(B) receive a business inventory firearm.

20 “(2) WAIVER.—Upon a showing by a licensee of
21 good cause, the Attorney General may issue a writ-
22 ten waiver of paragraph (1) if the licensee authorizes
23 the Attorney General to inspect the records and in-
24 ventory of the licensee at any time to ensure that
25 the licensee is in compliance with this chapter.”.

1 (b) PENALTIES.—Section 924(a) of title 18, United
 2 States Code, is amended by adding at the end the fol-
 3 lowing:

4 “(9) Whoever knowingly violates section 922(aa)
 5 shall be fined under this title, imprisoned for not more
 6 than 1 year, or both.”.

7 (c) NOTICE REQUIREMENT.—Section 923(f)(1) of
 8 title 18, United States Code, is amended, in the first sen-
 9 tence, by inserting before the period at the end the fol-
 10 lowing: “and setting forth the provisions of Federal law
 11 and regulation that prohibit a person not licensed under
 12 this chapter from engaging in the business of dealing in
 13 firearms and the restrictions set forth in section 922(aa)”.

14 **SEC. 20. REGULATION OF FACILITATORS OF FIREARM**
 15 **TRANSFERS.**

16 (a) LICENSING.—Section 923(a) of title 18, United
 17 States Code, is amended by adding at the end the fol-
 18 lowing:

19 “(4) If the applicant is a facilitator of firearm
 20 sales, purchases, or other transfers, a fee of \$1,000
 21 per year.”.

22 (b) COMPLETED FACILITATED SALES.—Section 923
 23 of title 18, United States Code, as amended by section
 24 5, is amended by adding at the end the following:

25 “(n) DUTIES OF FACILITATORS.—

1 “(1) IN GENERAL.—A licensed facilitator
2 shall—

3 “(A) inform each prospective seller using
4 the commercial marketplace of the licensed
5 facilitator that any offer for firearm sales, pur-
6 chases, or other transfers made using the com-
7 mercial marketplace may be completed only
8 with the assistance of a licensed importer, li-
9 censed manufacturer, or licensed dealer, who
10 must take possession of the firearm directly
11 from the transferor for the purpose of com-
12 plying with section 922(t);

13 “(B) require each prospective firearm sell-
14 er using the commercial marketplace of the li-
15 censed facilitator to complete each firearm sale,
16 purchase, or other transfer as described in sub-
17 paragraph (A); and

18 “(C) maintain records of any sale, pur-
19 chase, or other transfer described in subpara-
20 graph (A), which shall include—

21 “(i) the date of the offer;

22 “(ii) the name of the offeror;

23 “(iii) the name and the licensee num-
24 ber of the licensee that will take possession

1 of the firearm directly from the transferor;
 2 and
 3 “(iv) the model, serial number, type,
 4 and caliber or gauge of the firearm in-
 5 volved.

6 “(2) ADVANCE IDENTIFICATION OF LICENSED
 7 DEALER.—A licensed facilitator may require a pro-
 8 spective seller, as a condition of using the commer-
 9 cial marketplace of the licensed facilitator, to, before
 10 offering a firearm for sale, identify a licensed dealer
 11 that will take possession of the firearm and complete
 12 the sale.

13 “(3) LICENSEE COMPLIANCE.—On taking pos-
 14 session of a firearm sold, purchased, or otherwise
 15 transferred in a commercial marketplace of a li-
 16 censed facilitator, a licensee shall comply with all re-
 17 quirements of this chapter as if the licensee were
 18 transferring the firearm from the inventory of the li-
 19 censee to the unlicensed transferee.”.

20 (c) LIABILITY.—Section 924(h) of title 18, United
 21 States Code, is amended—

22 (1) by inserting “(1)” before “Whoever”; and
 23 (2) by adding at the end the following:

24 “(2) Whoever, having accepted an offer to transfer
 25 ownership of a firearm using a commercial marketplace

1 of a licensed facilitator in order to complete a firearm
 2 transaction as described in subsection (n)(1), knowingly
 3 transfers the firearm to a person not licensed under this
 4 chapter without a licensed importer, licensed manufac-
 5 turer, or licensed dealer first taking possession of the fire-
 6 arm for the purpose of complying with section 922(t)—

7 “(A) except as provided in subparagraph (B),
 8 shall be fined under this title, imprisoned for not
 9 more than 1 year, or both; or

10 “(B) if transfer of the firearm to, or receipt of
 11 the firearm by, the transferee violates subsection (d),
 12 (g), or (n) of section 922, or the firearm is used to
 13 commit a crime of violence (as defined in section
 14 (c)(3) of this section) or drug trafficking crime (as
 15 defined in subsection (c)(2) of this section), shall be
 16 fined under this title, imprisoned for not more than
 17 10 years, or both.”.

18 (d) CONFORMING AMENDMENTS.—Chapter 44 of
 19 title 18, United States Code, is amended—

20 (1) in section 922—

21 (A) in subsection (a)—

22 (i) in paragraph (1)—

23 (I) in subparagraph (A), by strik-
 24 ing “or” at the end;

1 (II) in subparagraph (B), by add-
2 ing “or” at the end; and

3 (III) by adding at the end the
4 following:

5 “(C) except a licensed facilitator, to engage
6 in the business of hosting a commercial market-
7 place in which offers for firearm sales, pur-
8 chases, or other transfers are allowed to be
9 made;”; and

10 (ii) in paragraph (6)—

11 (I) by striking “or licensed col-
12 lector” and inserting “licensed col-
13 lector, or licensed facilitator”; and

14 (II) by striking “or collector”
15 and inserting “collector, or
16 facilitator”; and

17 (B) in subsection (m), by striking “or li-
18 censed collector” and inserting “licensed col-
19 lector, or licensed facilitator”;

20 (2) in section 923—

21 (A) in subsection (c)(1), as so designated
22 by section 12 of this Act, in the first sentence,
23 by inserting “or facilitate firearm sales, pur-
24 chases, or other transfers” before “during the
25 period stated in the license”;

1 (B) in subsection (g)(1)(A)—

2 (i) in the matter preceding clause

3 (i)—

4 (I) in the first sentence, by strik-

5 ing “and licensed dealer” and insert-

6 ing “licensed dealer, and licensed

7 facilitator”; and

8 (II) in the last sentence, by in-

9 serting “licensed facilitator,” before

10 “or any licensed importer”;

11 (ii) in clause (i), by striking “or li-

12 censed collector” and inserting “, licensed

13 collector, or licensed facilitator”; and

14 (iii) in clause (ii), by striking “or li-

15 censed collector” and inserting “, licensed

16 collector, or licensed facilitator”; and

17 (C) in subsection (j), in the first sentence,

18 by striking “or licensed dealer” and inserting

19 “licensed dealer, or licensed facilitator”; and

20 (3) in section 924(a)(3), as amended by section

21 7—

22 (A) in subparagraph (A), in the matter

23 preceding clause (i), by striking “or licensed

24 collector” and inserting “licensed collector, or

25 licensed facilitator”; and

1 (B) in subparagraph (B), by striking “or
2 licensed collector” and inserting “licensed col-
3 lector, or licensed facilitator”.

4 **SEC. 21. DEALER AND EMPLOYEE BACKGROUND CHECKS.**

5 (a) REQUIREMENTS.—

6 (1) BACKGROUND CHECKS REQUIRED BEFORE
7 ISSUANCE OR RENEWAL OF DEALERS LICENSE.—
8 Section 923(c)(1) of title 18, United States Code, as
9 so designated by section 12 of this Act, is amended
10 by inserting after the first sentence the following:
11 “Notwithstanding the preceding sentence, the Attor-
12 ney General may not issue or renew a license unless
13 the Attorney General has contacted the national in-
14 stant criminal background check system established
15 under section 103 of the Brady Handgun Violence
16 Prevention Act (34 U.S.C. 40901) to determine
17 whether it would be unlawful for the applicant, or
18 any employee of the applicant identified by the ap-
19 plicant on the application as trusted with the posses-
20 sion or receipt of any firearm, to be transferred or
21 receive a firearm, and the system has notified the
22 Attorney General that the information available to
23 the system does not demonstrate that the transfer to
24 or receipt of a firearm by the applicant or any such
25 employee would violate subsection (d), (g), or (n) (as

1 applicable) of section 922 or State, local, or Tribal
2 law where the business premises of the applicant
3 subject to the license is located.”.

4 (2) BACKGROUND CHECK REQUIRED BEFORE
5 FIREARM POSSESSION BY DEALER EMPLOYEE.—Sec-
6 tion 923(g) of title 18, United States Code, as
7 amended by section 7 of this Act, is amended by
8 adding at the end the following:

9 “(11) A licensed dealer may not allow an employee
10 to possess a firearm at a premises from which the licensed
11 dealer conducts business subject to license under this
12 chapter, unless—

13 “(A) the employee is at least the minimum age
14 required by State and local law to possess or receive
15 a firearm;

16 “(B) the licensed dealer has contacted the na-
17 tional instant criminal background check system es-
18 tablished under section 103 of the Brady Handgun
19 Violence Prevention Act (34 U.S.C. 40901) to deter-
20 mine whether transfer of a firearm to, or receipt of
21 a firearm by, the individual would be unlawful; and

22 “(C) the system has notified the licensee that
23 the information available to the system does not
24 demonstrate that the transfer of a firearm to, or re-
25 ceipt of a firearm by, the individual would violate

1 subsection (d), (g), or (n) (as applicable) of section
2 922 or State, local, or Tribal law.”.

3 (b) AUTHORITY OF NICS SYSTEM TO RESPOND TO
4 LICENSED DEALER REQUEST FOR CRIMINAL BACK-
5 GROUND CHECK OF EMPLOYEE OR APPLICANT FOR EM-
6 PLOYMENT.—Section 103(b)(2) of the Brady Handgun
7 Violence Prevention Act (34 U.S.C. 40901(b)(2)) is
8 amended—

9 (1) in the heading, by striking “VOLUNTARY”
10 and inserting “COMPULSORY”; and

11 (2) in subparagraph (A), by striking “volun-
12 tarily”.

13 (c) AUTHORITY OF NICS SYSTEM TO SEARCH NA-
14 TIONAL DATA EXCHANGE.—Section 103(e)(1) of the
15 Brady Handgun Violence Prevention Act (34 U.S.C.
16 40901(e)(1)) is amended by adding at the end the fol-
17 lowing:

18 “(L) SEARCH OF NATIONAL DATA EX-
19 CHANGE DATABASE.—The system established
20 under this section shall include a search of the
21 database of the National Data Exchange when
22 conducting a background check under this sec-
23 tion.”.

1 **SEC. 22. LIABILITY STANDARDS.**

2 (a) LIABILITY IN LICENSING.—Section 923 of title
3 18, United States Code, is amended—

4 (1) in subsection (d)(1)(D), by striking “will-
5 fully” and inserting “knowingly”; and

6 (2) in subsection (e), by striking “willfully”
7 each place it appears and inserting “knowingly”.

8 (b) LIABILITY IN PENALTIES.—Section 924 of title
9 18, United States Code, is amended—

10 (1) in subsection (a)(1)(D), by striking “will-
11 fully” and inserting “knowingly”; and

12 (2) in subsection (d)(1), by striking “willful”
13 and inserting “knowing”.

14 **SEC. 23. CIVIL ENFORCEMENT.**

15 (a) FINES FOR ENGAGING IN THE BUSINESS WITH-
16 OUT A LICENSE.—Section 924(n) of title 18, United
17 States Code, is amended—

18 (1) by inserting “(1)” after “(n)”; and

19 (2) by adding at the end the following:

20 “(2) If the Attorney General finds that a person has
21 engaged in conduct that constitutes a violation of section
22 922(a)(1)(A), the Attorney General shall—

23 “(A) transmit to the person a written notice
24 specifying the violation, which shall include a copy of
25 the provision of law violated; and

1 “(B) impose on the person a civil penalty in an
2 amount that is not less than \$2,500 and not more
3 than \$20,000.”.

4 (b) TIERED PENALTIES FOR REPEATED VIOLATIONS
5 OF REGULATIONS BY LICENSED DEALERS.—Section 924
6 of title 18, United States Code, is amended by adding at
7 the end the following:

8 “(q) PENALTIES RELATING TO VIOLATIONS OF REG-
9 ULATIONS BY LICENSED DEALERS.—

10 “(1) IN GENERAL.—If the Attorney General
11 finds a licensed dealer to be in violation of a regula-
12 tion prescribed under section 926, the Attorney Gen-
13 eral shall—

14 “(A) if the violation is not a result of gross
15 negligence by the licensed dealer—

16 “(i) in the case of the first such viola-
17 tion by the licensed dealer, if not preceded
18 by a violation to which subparagraph (B)
19 applies, transmit to the licensed dealer a
20 written notice specifying the violation,
21 which shall include a copy of the regulation
22 violated;

23 “(ii) in the case of the second such
24 violation by the licensed dealer, if not pre-
25 ceded by a violation to which subparagraph

1 (B) applies, impose a civil penalty in an
2 amount that is not less than \$2,500 and
3 not more than \$20,000;

4 “(iii) in the case of the third such vio-
5 lation by the licensed dealer, if not pre-
6 ceded by a violation to which subparagraph
7 (B) applies, suspend the license to deal in
8 firearms issued to the licensed dealer
9 under this chapter until the violation
10 ceases;

11 “(iv) in the case of the fourth such
12 violation by the licensed dealer, whether or
13 not preceded by a violation to which sub-
14 paragraph (B) applies, revoke the license;
15 or

16 “(v) in the case of any such violation
17 by the licensed dealer, if preceded by a vio-
18 lation to which subparagraph (B) applies,
19 apply the penalty authorized under this
20 subsection that is 1 level greater in sever-
21 ity than the level of severity of the penalty
22 most recently applied to the licensed dealer
23 under this subsection; or

24 “(B) if the violation is a result of gross
25 negligence by the licensed dealer—

1 “(i) in the case of the first such viola-
2 tion by the licensed dealer, impose a civil
3 penalty in an amount that is not less than
4 \$2,500 and not more than \$20,000;

5 “(ii) in the case of the second such
6 violation by the licensed dealer—

7 “(I) impose a civil penalty in an
8 amount equal to \$20,000; and

9 “(II) suspend the license to deal
10 in firearms issued to the licensed deal-
11 er under this chapter until the viola-
12 tion ceases; or

13 “(iii) in the case of the third such vio-
14 lation by the licensed dealer, revoke the li-
15 cense to deal in firearms issued to the li-
16 censed dealer under this chapter.

17 “(2) SUSPENSION OF LICENSE.—In the case of
18 any violation described in paragraph (1), if the At-
19 torney General finds that the nature of the violation
20 indicates that the continued operation of a firearms
21 business by the licensed dealer presents an imminent
22 risk to public safety, the Attorney General shall, not-
23 withstanding paragraph (1), immediately suspend
24 the license to deal in firearms issued to the licensed
25 dealer under this chapter and secure the firearms in-

9 Section 923(f) of title 18, United States Code, is
10 amended by striking paragraph (4).

12 (a) LIMITATIONS RELATED TO USE OF FIREARMS
13 TRACE DATA.—

(2) FISCAL YEAR 2010.—The sixth proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of

1 division B of the Consolidated Appropriations Act,
2 2010 (Public Law 111–117; 123 Stat. 3128) is
3 amended by striking “beginning in fiscal year 2010
4 and thereafter” and inserting “in fiscal year 2010”.

5 (3) FISCAL YEAR 2009.—The sixth proviso
6 under the heading “SALARIES AND EXPENSES”
7 under the heading “BUREAU OF ALCOHOL, TO-
8 BACCO, FIREARMS AND EXPLOSIVES” in title II of
9 division B of the Omnibus Appropriations Act, 2009
10 (Public Law 111–8; 123 Stat. 575) is amended by
11 striking “beginning in fiscal year 2009 and there-
12 after” and inserting “in fiscal year 2009”.

13 (4) FISCAL YEAR 2008.—The sixth proviso
14 under the heading “SALARIES AND EXPENSES”
15 under the heading “BUREAU OF ALCOHOL, TO-
16 BACCO, FIREARMS AND EXPLOSIVES” in title II of
17 division B of the Consolidated Appropriations Act,
18 2008 (Public Law 110–161; 121 Stat. 1903) is
19 amended by striking “beginning in fiscal year 2008
20 and thereafter” and inserting “in fiscal year 2008”.

21 (5) FISCAL YEAR 2006.—The sixth proviso
22 under the heading “SALARIES AND EXPENSES”
23 under the heading “BUREAU OF ALCOHOL, TO-
24 BACCO, FIREARMS AND EXPLOSIVES” in title I of
25 the Science, State, Justice, Commerce, and Related

1 Agencies Appropriations Act, 2006 (Public Law
2 109–108; 119 Stat. 2295) is amended by striking
3 “with respect to any fiscal year”.

4 (6) FISCAL YEAR 2005.—The sixth proviso
5 under the heading “SALARIES AND EXPENSES”
6 under the heading “BUREAU OF ALCOHOL, TO-
7 BACCO, FIREARMS AND EXPLOSIVES” in title I of di-
8 vision B of the Consolidated Appropriations Act,
9 2005 (Public Law 108–447; 118 Stat. 2859) is
10 amended by striking “with respect to any fiscal
11 year”.

12 (7) FISCAL YEAR 2023.—Section 644 of division
13 J of the Consolidated Appropriations Resolution,
14 2003 (5 U.S.C. 552 note; Public Law 108–7; 117
15 Stat. 473) is amended by striking “or any other Act
16 with respect to any fiscal year”.

17 (b) LIMITATIONS RELATING TO CONSOLIDATING AND
18 CENTRALIZING RECORDS.—The first proviso under the
19 heading “SALARIES AND EXPENSES” under the heading
20 “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EX-
21 PLOSIVES” in title II of division B of the Consolidated and
22 Further Continuing Appropriations Act, 2012 (18 U.S.C.
23 923 note; Public Law 112–55; 125 Stat. 609) is amended
24 by striking “or hereafter”.

1 (c) REQUIREMENT TO DESTROY INSTANT CRIMINAL
2 BACKGROUND CHECK RECORDS WITHIN 24 HOURS.—

3 Section 511 of division B of the Consolidated and Further
4 Continuing Appropriations Act, 2012 (34 U.S.C. 40901
5 note; Public Law 112–55; 125 Stat. 632) is amended—

6 (1) by striking “—” and all that follows
7 through “(1)”; and

8 (2) by striking the semicolon and all that fol-
9 lows and inserting a period.

10 **SEC. 26. AUTHORITY TO HIRE ADDITIONAL INDUSTRY OP-**
11 **ERATION INVESTIGATORS FOR BUREAU OF**
12 **ALCOHOL, TOBACCO, FIREARMS, AND EXPLO-**
13 **SIVES.**

14 The Attorney General may hire 650 industry oper-
15 ation investigators for the Bureau of Alcohol, Tobacco,
16 Firearms, and Explosives, to be distributed among the
17 various field divisions to match the number and distribu-
18 tion of persons licensed under chapter 44 of title 18,
19 United States Code, in addition to any personnel needed
20 to carry out this Act and the amendments made by this
21 Act and any industry operation investigators authorized
22 by other law.

23 **SEC. 27. REPORT ON IMPLEMENTATION OF THIS ACT.**

24 Not later than 2 years after the date of enactment
25 of this Act, the Attorney General shall submit to Congress

1 and publish on the website of the Department of Justice
2 a written report on the implementation of this Act and
3 the amendments made by this Act, including any steps
4 needed to complete the implementation, which shall iden-
5 tify any additional resources that are required to—

6 (1) conduct regular inspections under chapter
7 44 of title 18, United States Code; and

8 (2) ensure that this Act and the amendments
9 made by this Act are enforced against noncompliant
10 federally licensed firearms dealers in a timely man-
11 ner.

12 **SEC. 28. ANNUAL LICENSED DEALER INSPECTIONS REPORT**
13 **AND ANALYSIS.**

14 (a) IN GENERAL.—Not later than 2 years after the
15 date of enactment of this Act, and annually thereafter,
16 the Attorney General shall submit to Congress and publish
17 on the website of the Department of Justice a report that
18 contains the information described in subsection (b) with
19 respect to—

20 (1) the preceding 2-year period, in the case of
21 the first report; or

22 (2) the preceding year, in the case of each sub-
23 sequent report.

1 (b) CONTENTS.—Each report under subsection (a)
2 shall state, with respect to the applicable reporting pe-
3 riod—

4 (1) the number of inspections or examinations
5 conducted of Type 01, Type 02, and Type 07 Fed-
6 eral firearm licensees (dealers, pawnbrokers, and
7 manufacturers, respectively) by each field division of
8 the Bureau of Alcohol, Tobacco, Firearms, and Ex-
9 plosives, including by the number of inspections or
10 examinations of high-risk dealers (as that term is
11 used in clause (ii) of section 923(g)(1)(B) of title
12 18, United States Code, as added by section 11 of
13 this Act) and non-high-risk dealers;

14 (2) the number of security inspections under
15 subparagraph (B) of section 923(g)(6) of title 18,
16 United States Code, as added by section 11 of this
17 Act, prompted by dealer reports of lost or stolen
18 firearms under subparagraph (A) of such section
19 923(g)(6), as so designated by section 11 of this
20 Act, and the number of follow-up security inspec-
21 tions conducted during the 6-month period following
22 a security inspection revealing a violation;

23 (3) the average amount of time spent on—

24 (A) inspections or examinations of high-
25 risk dealers (as described in paragraph (1));

1 (B) inspections or examinations of non-
2 high-risk dealers (as described in paragraph
3 (1));

4 (C) security inspections (as described in
5 paragraph (2)); and

6 (D) follow-up security inspections (as de-
7 scribed in paragraph (2)); and

8 (4) an analysis of the most frequently cited vio-
9 lations and corrective actions or penalties imposed in
10 each inspection or examination described in para-
11 graph (1) or security inspection described in para-
12 graph (2), including—

13 (A) the number of licenses recommended
14 to be suspended or revoked;

15 (B) the number of licensees sent notices of
16 suspension or revocation;

17 (C) the number of hearings requested by
18 licensees on receipt of a notice of suspension or
19 revocation;

20 (D) the number of suspension or revoca-
21 tion hearings initiated during a prior 12-month
22 period that remain ongoing during the 12-
23 month period covered by the report; and

1 (E) the decision ultimately rendered in
2 each such matter by the Director of the Bureau
3 of Alcohol, Tobacco, Firearms, and Explosives.

4 **SEC. 29. DEADLINE FOR ISSUANCE OF FINAL REGULA-**
5 **TIONS.**

6 Not later than 2 years after the date of enactment
7 of this Act, the Attorney General shall prescribe all regula-
8 tions required to carry out this Act and the amendments
9 made by this Act.

○