

118TH CONGRESS
2D SESSION

S. 4706

To modernize the business of selling firearms.

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 10), 2024

Mr. DURBIN (for himself, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Ms. HIRONO, Mr. BOOKER, Mr. WELCH, Mrs. SHAHEEN, Mr. REED, Mr. SCHATZ, and Mr. CARDIN) introduced the following bill; which was read twice and 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,*

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

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

6 (b) TABLE OF CONTENTS.—The table of contents for
7 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 regards 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.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) A growing body of evidence demonstrates
 4 that firearm dealers' sales practices affect the prob-
 5 ability of firearms getting to criminals and that poli-
 6 cies designed to hold firearm sellers accountable can
 7 curtail the diversion of firearms to criminals.

8 (2) Federal laws governing firearm dealers—

9 (A) have not been updated in more than
 10 30 years;

11 (B) contain safeguards that protect dealers
 12 who engage in illegal practices from adverse en-
 13 forcement action;

1 (C) frustrate law enforcement efforts to
2 curb firearm trafficking and violence; and

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

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

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

10 (ii) prevent—

11 (I) the collection of valuable informa-
12 tion; and

13 (II) the establishment of effective poli-
14 cies to prevent illegal firearms from being
15 used in crimes; and

16 (iii) impede enforcement of the firearm
17 laws by—

18 (I) requiring most background check
19 records to be destroyed within 24 hours;
20 and

21 (II) barring the Government from re-
22 quiring owners of firearm shops to conduct
23 annual inventory audits.

24 (B) Repealing the Tiahrt Amendments would
25 support law enforcement efforts and give the public

1 vital information needed to craft the most effective
2 policies against illegal firearms.

3 (4) Additionally, Federal law imposes no re-
4 quirements that firearm dealers physically secure
5 their highly valuable and lethal inventory. The num-
6 ber of firearm thefts from licensed firearm dealers
7 has increased more than the number from any other
8 source. Between 2013 and 2017, the number of fire-
9 arms stolen in firearm-dealer burglaries more than
10 doubled and the number of firearms stolen in fire-
11 arm-dealer robberies tripled.

12 **SEC. 3. DEFINITIONS.**

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

15 “(38) The term ‘facilitator’ means any person en-
16 gaged in the business of hosting a commercial marketplace
17 in which offers for firearm sales, purchases, or other
18 transfers are allowed to be made, except that such a per-
19 son shall not be considered to be a facilitator with respect
20 to any transaction that is made through the use of a
21 website or mobile application owned or operated by the
22 person if—

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

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

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

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

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

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

1 “(B) The term ‘receiver’ means the part of a rifle,
 2 shotgun, or projectile weapon other than a handgun, or
 3 a variant thereof, that provides housing or a structure for
 4 the primary component designed to block or seal the
 5 breech prior to initiation of the firing sequence (such as
 6 a bolt, breechblock, or the equivalent), even if pins or other
 7 attachments are required to connect such component to
 8 the housing or structure.

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

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

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

22 (b) **CONFORMING AMENDMENTS.**—Chapter 44 of
 23 title 18, United States Code, is amended—

24 (1) in section 922—

25 (A) in subsection (t)—

1 (i) in paragraph (3)(C)(ii), by striking
2 “(as defined in subsection (s)(8))”; and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(A) For purposes of this subsection, the term
6 ‘chief law enforcement officer’ means the chief of po-
7 lice, the sheriff, or an equivalent officer or the des-
8 ignee of any such individual.”; and

9 (B) in subsection (y)(2), in the matter pre-
10 ceeding subparagraph (A), by striking “,
11 (g)(5)(B), and (s)(3)(B)(v)(II)” and inserting
12 “and (g)(5)(B)”;

13 (2) in section 924(a)(5), by striking “subsection
14 (s) or (t) of section 922” and inserting “section
15 922(t)”;

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

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

20 (a) SECURITY PLAN SUBMISSION REQUIREMENT.—

21 (1) IN GENERAL.—Section 923(d)(1)(G) of title
22 18, United States Code, is amended—

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

25 “(i) the applicant”;

1 (B) by striking the period at the end and
2 inserting “; and”; and

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

4 “(ii) the applicant—

5 “(I) submits with the application a se-
6 curity plan that describes how the appli-
7 cant will secure, in accordance with the
8 regulations issued under section 926(d),
9 the premises from which the applicant will
10 conduct business under the license (includ-
11 ing in the event of a natural disaster or
12 other emergency); and

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

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

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

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

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

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

3 “(i) the license is not suspended;

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

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

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

12 (A) IN GENERAL.—If, not later than 1
13 year after the date on which regulations are
14 prescribed under section 926(d) of title 18,
15 United States Code (as added by subsection (c)
16 of this section), a person described in subpara-
17 graph (B) of this paragraph submits to the At-
18 torney General a security plan described in
19 clause (ii)(I) of section 923(d)(1)(G) of that
20 title (as added by paragraph (1) of this sub-
21 section), the security plan shall be considered to
22 have been submitted in accordance with such
23 section 923(d)(1)(G).

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

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

5 (ii) whose license to deal in firearms
 6 issued under chapter 44 of title 18, United
 7 States Code, will expire on or after the
 8 date that is 1 year after the date on which
 9 regulations are prescribed under section
 10 926(d) of that title (as added by sub-
 11 section (c) of this section).

12 (b) ANNUAL COMPLIANCE CERTIFICATION REQUIRE-
 13 MENT.—

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

17 “(m) ANNUAL CERTIFICATION.—

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

20 “(A) annually certify to the Attorney Gen-
 21 eral that each premises from which the licensee
 22 conducts business subject to license under this
 23 chapter is in compliance with the regulations
 24 prescribed under section 926(d); and

1 “(B) in the case of a licensed dealer, in-
2 clude with the certification under subparagraph
3 (A)—

4 “(i) the results of a reconciliation of
5 the resale firearms then in the business in-
6 ventory of the licensee against the resale
7 firearms in the business inventory of the li-
8 censee at the time of the most recent prior
9 certification (if any) under this paragraph;
10 and

11 “(ii) all dispositions and acquisitions
12 of resale firearms in the year covered by
13 the certification, identifying and reporting
14 any missing firearm.

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

20 (2) APPLICABILITY.—In the case of a person
21 who, on the date of enactment of this Act, is a li-
22 censee referred to in section 923(m) of title 18,
23 United States Code (as added by paragraph (1)),
24 such section 923(m) shall apply to the person on
25 and after the date that is 1 year after the date on

1 which regulations are prescribed under subsection
2 (d) of section 926 of that title (as added by sub-
3 section (c)(1)).

4 (c) REGULATIONS.—

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

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

13 “(1) compliance with the security plan sub-
14 mitted by the licensee pursuant to section
15 923(d)(1)(G)(ii)(I), if applicable;

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

18 “(3) security systems, video monitoring, and
19 anti-theft alarms;

20 “(4) security gates, strong locks, and site hard-
21 ening;

22 “(5) concrete bollards and other access controls,
23 if necessary; and

1 “(6) the use of any other security-enhancing
2 features appropriate for the specific circumstances of
3 the licensee.”.

4 (2) **APPLICABILITY.**—The regulations pre-
5 scribed under section 926(d) of title 18, United
6 States Code, as added by paragraph (1), shall not
7 apply to a person who, on the date of the enactment
8 of this Act, is a licensee referred to in section
9 923(m) of that title, until the date that is 1 year
10 after the date on which the regulations are pre-
11 scribed.

12 **SEC. 6. BUSINESS INVENTORY FIREARMS.**

13 (a) **REQUIREMENT TO TRANSFER FIREARM IN PER-**
14 **SONAL COLLECTION TO BUSINESS INVENTORY BEFORE**
15 **DISPOSITION.**—Section 923(c) of title 18, United States
16 Code, is amended—

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

22 (2) by striking the third sentence; and

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

1 (b) LICENSEE FIREARMS INVENTORY.—Section
2 923(g) of title 18, United States Code, is amended by add-
3 ing at the end the following:

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

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

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

14 “(ii) the name, address, and license number, if
15 applicable, of the person from whom the firearm was
16 received;

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

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

21 “(v) the date of the sale or other disposition of
22 the firearm.

23 “(C) Nothing in this paragraph shall be construed to
24 prohibit the Attorney General from, at any time, requiring
25 the regular or one-time submission of the inventory

1 records of a licensee to ensure that the licensee is in com-
2 pliance with this chapter.”.

3 (c) REPEAL OF LIMITATIONS ON IMPOSITION OF RE-
4 QUIREMENT THAT FIREARMS DEALERS CONDUCT PHYS-
5 ICAL CHECK OF FIREARMS INVENTORY.—

6 (1) FISCAL YEAR 2013.—The fifth proviso under
7 the heading “SALARIES AND EXPENSES” under the
8 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
9 ARMS AND EXPLOSIVES” in title II of division B of
10 the Consolidated and Further Continuing Appropria-
11 tions Act, 2013 (18 U.S.C. 923 note; Public Law
12 113–6; 127 Stat. 248) is amended by striking “and
13 any fiscal year thereafter”.

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

21 (3) FISCAL YEAR 2010.—The seventh proviso
22 under the heading “SALARIES AND EXPENSES”
23 under the heading “BUREAU OF ALCOHOL, TO-
24 BACCO, FIREARMS AND EXPLOSIVES” in title II of
25 division B of the Consolidated and Further Con-

1 tinuing Appropriations Act, 2010 (Public Law 111–
2 117; 123 Stat. 3129) is amended by striking “or
3 any other”.

4 (4) FISCAL YEAR 2009.—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 II of
8 division B of the Omnibus Appropriations Act, 2009
9 (Public Law 111–8; 123 Stat. 575) is amended by
10 striking “or any other”.

11 (5) FISCAL YEAR 2008.—The seventh proviso
12 under the heading “SALARIES AND EXPENSES”
13 under the heading “BUREAU OF ALCOHOL, TO-
14 BACCO, FIREARMS AND EXPLOSIVES” in title II of
15 division B of the Consolidated Appropriations Act,
16 2008 (Public Law 110–161; 121 Stat. 1904) is
17 amended by striking “or any other”.

18 (6) FISCAL YEAR 2006.—The seventh proviso
19 under the heading “SALARIES AND EXPENSES”
20 under the heading “BUREAU OF ALCOHOL, TO-
21 BACCO, FIREARMS AND EXPLOSIVES” in title I of
22 the Science, State, Justice, Commerce, and Related
23 Agencies Appropriations Act, 2006 (Public Law
24 109–108; 119 Stat. 2296) is amended by striking
25 “or any other”.

1 (7) FISCAL YEAR 2005.—The seventh proviso
2 under the heading “SALARIES AND EXPENSES”
3 under the heading “BUREAU OF ALCOHOL, TO-
4 BACCO, FIREARMS AND EXPLOSIVES” in title I of di-
5 vision B of the Consolidated Appropriations Act,
6 2005 (Public Law 108–447; 118 Stat. 2860) is
7 amended by striking “or any other”.

8 (8) FISCAL YEAR 2004.—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 I of di-
12 vision B of the Consolidated Appropriations Act,
13 2004 (Public Law 108–199; 118 Stat. 53) is amend-
14 ed by striking “or any other”.

15 **SEC. 7. ELECTRONIC RECORDS.**

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

18 (1) in paragraph (1)(A)—

19 (A) in the first sentence, by inserting be-
20 fore the period at the end the following: “, ex-
21 cept that, notwithstanding any other provision
22 of law, on and after the date that is 1 year
23 after the date of enactment of the Federal Fire-
24 arm Licensee Act, records prepared by a li-
25 censee under this chapter of the sale or other

1 disposition of firearms, including each firearms
2 transaction record, and the corresponding
3 record of receipt of such firearms, shall be re-
4 tained at the business premises readily acces-
5 sible for inspection under this chapter until the
6 business is discontinued”; and

7 (B) by striking the second sentence;

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

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

12 (b) RECORDS DATABASES.—Section 923(g) of title
13 18, United States Code, as amended by section 6, is
14 amended by adding at the end the following:

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

23 “(B) Each licensee under this chapter may provide
24 the National Tracing Center with electronic access, con-
25 sistent with the requirements of this paragraph, to all

1 records within the possession of the licensee that are re-
2 quired to be kept under this chapter.

3 “(C) The National Tracing Center—

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

7 “(ii) with the permission of a State, or political
8 subdivision of a State, may query, search, or other-
9 wise access the databases of the firearms registra-
10 tion system or pawnbroker records system of the
11 State or political subdivision.

12 “(D) The National Tracing Center may query,
13 search, or otherwise access the electronic databases de-
14 scribed in subparagraph (A) only to obtain information re-
15 lated to any Federal, State, local, tribal, or foreign crimi-
16 nal investigation.

17 “(E) The electronic databases established under sub-
18 paragraph (A)—

19 “(i) shall be electronically searchable by date of
20 disposition, license number, and the information
21 identified on each firearm or other firearm
22 descriptor, including the manufacturer, importer,
23 model, serial number, type, and caliber or gauge;

24 “(ii) shall not be electronically searchable by
25 the personally identifiable information of any indi-

1 vidual, without a warrant authorizing such a search;
2 and

3 “(iii) shall include in search results the entire
4 contents of the relevant records kept by the li-
5 censee.”.

6 (c) VIDEO RECORDINGS OF SALES AND TRANS-
7 FERS.—Section 923(g) of title 18, United States Code, as
8 amended by subsection (b), is amended by adding to the
9 end the following:

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

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

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

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

24 (d) INCREASED PENALTIES FOR LICENSEE VIOLA-
25 TIONS RELATING TO ACQUISITION AND DISPOSITION

1 RECORDS.—Section 924(a)(3) of title 18, United States
2 Code, is amended—

3 (1) by redesignating subparagraphs (A) and
4 (B) as clauses (i) and (ii), respectively, and adjust-
5 ing the margins accordingly;

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

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

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

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

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

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

22 (1) in the first sentence, by striking “records
23 required to be maintained under this chapter or any
24 portion of the contents of such records, be recorded
25 at or transferred to a facility owned, managed, or

1 controlled by the United States or any State or any
2 political subdivision thereof, nor that”; and

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

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

9 “(e) FACILITATION OF ELECTRONIC RECORD-
10 KEEPING.—The Attorney General—

11 “(1) shall facilitate and incentivize the conver-
12 sion to, and adoption of, electronic recordkeeping so-
13 lutions by licensees that enable electronic completion
14 and submission to the Attorney General of all
15 records required to be maintained under this chap-
16 ter;

17 “(2) shall facilitate—

18 “(A) digital capture of paper records of li-
19 censed dealers; and

20 “(B) the integration and indexing of data
21 onto a platform accessible by law enforcement
22 authorities for purposes of investigating a vio-
23 lent crime or crime gun trace;

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

4 “(A) remote access to electronic records of
5 licensed dealers by law enforcement authorities
6 for purposes of investigating a violent crime or
7 crime gun trace; and

8 “(B) access by licensed dealers to only
9 their own records; and

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

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

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

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

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

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

21 “(E) in the case of a transfer conducted pursu-
22 ant to subparagraph (B)(ii) or clause (ii) or (iii) of
23 subparagraph (C), the licensee notifies the Attorney
24 General, not later than the close of business on the

1 day on which the firearm is transferred, that the
2 firearm has been transferred to the person.”.

3 **SEC. 9. MULTIPLE FIREARM SALES RECORDS AND RE-**
4 **PORTS.**

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

8 (1) in the first sentence, by striking “pistols, or
9 revolvers, or any combination of pistols and revolv-
10 ers” and inserting “pistols, revolvers, semiautomatic
11 rifles or shotguns, or rifles or shotguns capable of
12 accepting a high capacity magazine, or any combina-
13 tion of such weapons”; and

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

20 (b) REQUIREMENT TO RETAIN INSTANT CRIMINAL
21 BACKGROUND CHECK RECORDS FOR 90 BUSINESS
22 DAYS.—Section 922(t)(2)(C) of title 18, United States
23 Code, is amended—

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

1 (2) by striking “(other than the identifying
2 number and the date the number was assigned)”;
3 and

4 (3) by inserting before the period at the end the
5 following: “solely for purposes related to discovering
6 misuse or avoidance of the national instant criminal
7 background check system or ensuring its proper op-
8 eration”.

9 (c) ATTORNEY GENERAL REPORTS OF MULTIPLE
10 SALES BY NON-LICENSEES.—Section 923(g)(3) of title
11 18, United States Code, is amended—

12 (1) by redesignating subparagraph (B) as sub-
13 paragraph (C); and

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

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

22 “(ii) The report described in clause (i) shall be pre-
23 pared on a form substantially similar to the form created
24 pursuant to subparagraph (A) and include the names and

1 addresses of the licensees who requested the background
2 checks under subsection (t).

3 “(iii) The Attorney General shall forward the report
4 described in clause (i) to the office designated pursuant
5 to subparagraph (A) and to the departments of State po-
6 lice or State law enforcement agencies of the State or local
7 law enforcement agencies of the local jurisdictions in
8 which the sales or other dispositions took place, not later
9 than the close of business on the date of the most recent
10 such sale or other disposition.”.

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

15 (1) in the first sentence—

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

19 (B) by striking “, and shall destroy each
20 such form and any record of the contents there-
21 of no more than 20 days from the date such
22 form is received” and inserting “and shall re-
23 tain each such form and any record of the con-
24 tents of the form for not less than 180 days

1 after the date on which the form is received”;
2 and
3 (2) by striking the second sentence.

4 **SEC. 10. SAFETY DEVICES AND WARNINGS TO PUR-**
5 **CHASERS.**

6 Section 922(z) of title 18, United States Code, is
7 amended—

8 (1) by inserting “AND WARNINGS TO PUR-
9 CHASERS” after “SECURE GUN STORAGE OR SAFE-
10 TY DEVICE”;

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

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

14 “(4) WARNINGS TO PURCHASERS.—

15 “(A) IN GENERAL.—A licensed dealer op-
16 erating a physical retail location shall post con-
17 spicuously within the licensed premises all
18 warnings required to be provided to firearms
19 purchasers under applicable State and local law.

20 “(B) MATERIALS.—

21 “(i) DEVELOPMENT AND DISTRIBUTION BY ATTORNEY GENERAL.—The Attor-
22 ney General shall—
23

24 “(I) develop materials regarding
25 suicide prevention, securing firearms

1 from loss, theft, or access by a minor
 2 or prohibited person, and straw pur-
 3 chasing; and

4 “(II) provide the materials devel-
 5 oped under subclause (I) to each li-
 6 censed dealer.

7 “(ii) DISSEMINATION BY DEALERS.—
 8 A licensed dealer shall disseminate the ma-
 9 terials described in clause (i) upon transfer
 10 of a firearm to a person not licensed under
 11 this chapter.”.

12 **SEC. 11. INSPECTIONS.**

13 (a) MANDATED ANNUAL INSPECTIONS OF HIGH-
 14 RISK LICENSED DEALERS AND QUINQUENNIAL INSPEC-
 15 TIONS OF OTHER LICENSED DEALERS.—Section
 16 923(g)(1)(B) of title 18, United States Code, is amend-
 17 ed—

18 (1) in clause (ii), by redesignating subclauses
 19 (I) and (II) as items (aa) and (bb), respectively, and
 20 adjusting the margins accordingly;

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

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

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

1 “(ii)(I) The Attorney General—

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

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

9 “(BB) during the preceding 10 years, the
10 dealer was issued a report of violation, received
11 a warning letter, or was the subject of a warn-
12 ing conference; or

13 “(CC) during the preceding year, multiple
14 firearms were determined to have been used in
15 a crime under Federal, State, or local law with-
16 in 3 years after sale by the dealer; and

17 “(bb) may appoint an attorney to ensure that
18 high-risk dealers comply with all applicable firearm
19 sales laws.

20 “(II) An attorney appointed under subclause (I)(bb)
21 may, with respect to high-risk dealers, use in-store obser-
22 vation, monitor records, conduct random and repeated
23 sales integrity tests, and design and offer instructional
24 programs providing best practices sales training to all em-
25 ployees involved in firearm sales until the attorney cer-

1 tifies to the Attorney General that the high-risk dealer has
2 complied with all applicable firearm sales laws for 3 con-
3 secutive years.

4 “(III) Not later than 180 days after the date on
5 which an inspection or examination under subclause (I)
6 reveals a violation of this section or any regulation pre-
7 scribed under this chapter, and not later than 180 days
8 after a security inspection conducted under paragraph
9 (6)(B)(i) of this subsection, the Attorney General shall
10 conduct an inspection or examination to determine wheth-
11 er the violation identified in the preceding inspection or
12 examination has been cured.

13 “(IV) Not less frequently than once every 5 years,
14 the Attorney General shall inspect or examine the inven-
15 tory, records, and business premises of each licensed deal-
16 er that the Attorney General has not determined to be
17 a high-risk dealer under subclause (I).”

18 (b) ELIMINATION OF LIMIT ON INSPECTION OF LI-
19 CENSEE RECORDS.—Section 923(g)(1)(B)(i)(II) of title
20 18, United States Code, as redesignated by subsection (a),
21 is amended—

22 (1) by striking “—” and all that follows
23 through “(bb)”; and

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

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

7 (1) by inserting “(A)” after “(6)”; and

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

9 “(B)(i) If the Attorney General receives a report
10 under subparagraph (A) from a licensed dealer, the Attor-
11 ney General shall conduct an independent inspection of the
12 security of the premises at which the theft occurred, which
13 shall include an inspection of the measures taken to imple-
14 ment the security plan submitted by the licensed dealer
15 under subsection (d)(1)(G)(ii).

16 “(ii) On completion of a security inspection under
17 clause (i), the Attorney General shall provide the licensed
18 dealer with—

19 “(I) a notice of any violation by the licensed
20 dealer of any security requirements prescribed under
21 section 926(d); and

22 “(II) recommendations for improving security
23 of the premises involved.”.

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

4 **SEC. 12. AUTHORITY WITH REGARDS TO LICENSE**
 5 **ISSUANCE AND RENEWAL.**

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

8 (1) in subsection (c)—

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

10 (B) in the first sentence, by inserting “,
 11 subject to paragraph (2),” after “the Attorney
 12 General shall”; and

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

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

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

19 “(B) the applicant—

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

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

23 (2) in subsection (d)(1)—

24 (A) in the matter preceding subparagraph

25 (A), by striking “shall” and inserting “or re-

1 newal thereof shall, subject to subsection
2 (e)(2),”;

3 (B) in subparagraph (C), by striking “not
4 willfully violated” and inserting “no uncured
5 violations”; and

6 (C) in subparagraph (F)—

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

9 (ii) by adding at the end the fol-
10 lowing:

11 “(iv) each employee employed in the
12 business—

13 “(I) will be at least the minimum
14 age at which individuals may possess
15 a firearm in the locality in which the
16 business will be conducted; and

17 “(II) is not prohibited from being
18 transferred a firearm, or transporting,
19 shipping, or receiving firearms or am-
20 munition, in interstate or foreign com-
21 merce by subsection (d), (g), or (n)
22 (as applicable) of section 922 or by
23 State, local, or Tribal law; and”.

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

4 (1) in subsection (e)—

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

7 (B) in the third sentence, by striking “Sec-
8 retary’s” and inserting “Attorney General’s”;
9 and

10 (2) in subsection (f)—

11 (A) in paragraph (1)—

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

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

16 (B) in paragraph (2)—

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

19 (ii) by striking “or revocation” and
20 inserting “, revocation, or suspension”;
21 and

22 (C) in paragraph (3)—

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

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

3 (c) AUTHORITY TO PROMULGATE RULES.—Section
4 926(a) of title 18, United States Code, is amended, in the
5 matter preceding paragraph (1), by striking “only”.

6 (d) REPEAL OF RIDERS LIMITING USE OF FUNDS
7 TO DENY LICENSES DUE TO LACK OF BUSINESS ACTIV-
8 ITY.—

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

17 (2) FISCAL YEAR 2012.—The matter under the
18 heading “SALARIES AND EXPENSES” under the
19 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
20 ARMS AND EXPLOSIVES” in title II of division B of
21 the Consolidated and Further Continuing Appropria-
22 tions Act, 2012 (Public Law 112–55; 125 Stat. 609)
23 is amended by striking the ninth proviso.

1 **SEC. 13. INCREASED LICENSING FEES.**

2 (a) FEES FOR LICENSED IMPORTERS, MANUFACTUR-
3 ERS, AND DEALERS IN FIREARMS AND IMPORTERS AND
4 MANUFACTURERS OF AMMUNITION.—Section 923(a) of
5 title 18, United States Code, is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (A), by striking
8 “\$1,000” and inserting “\$2,000”;

9 (B) in subparagraph (B), by striking
10 “\$50” and inserting “\$100”; and

11 (C) in subparagraph (C), by striking
12 “\$10” and inserting “\$20”;

13 (2) in paragraph (2)—

14 (A) in subparagraph (A), by striking
15 “\$1,000” and inserting “\$2,000”; and

16 (B) in subparagraph (B), by striking
17 “\$50” and inserting “\$100”; and

18 (3) in paragraph (3)—

19 (A) in subparagraph (A), by striking
20 “\$1,000” and inserting “\$2,000”; and

21 (B) in subparagraph (B)—

22 (i) by striking “\$200” and inserting
23 “\$400”; and

24 (ii) by striking “\$90” and inserting
25 “\$180”.

1 (b) FEES FOR LICENSED COLLECTORS.—Section
 2 923(b) of title 18, United States Code, is amended by
 3 striking “\$10” and inserting “\$20”.

4 **SEC. 14. ELIMINATION OF OBLIGATORY STAY OF EFFEC-**
 5 **TIVE DATE OF LICENSE REVOCATION.**

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

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

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

16 (1) by striking subsection (b); and

17 (2) by redesignating subsections (c) through (f)
 18 as subsections (b) through (e), respectively.

19 (b) CONFORMING AMENDMENTS.—

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

23 (A) in section 922—

24 (i) in subsection (d), in the second
 25 sentence—

1 (I) by striking “licensed im-
2 porter, licensed manufacturer, licensed
3 dealer, or licensed collector who pur-
4 suant to subsection (b) of section 925
5 is not precluded from dealing in fire-
6 arms or ammunition, or to a”; and

7 (II) by striking “subsection (c) of
8 section 925” and inserting “section
9 925(b)”;

10 (ii) in subsection (l), by striking
11 “925(d) of this chapter” and inserting
12 “925(e)”;

13 (iii) in subsection (r), by striking
14 “925(d)(3) of this chapter” and inserting
15 “925(e)(3)”;

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

18 (2) FOREIGN MILITARY SALES ACT.—Section
19 38(b)(1)(B)(i) of the Foreign Military Sales Act (22
20 U.S.C. 2778(b)(1)(B)(i)) is amended by striking
21 “925(e)” and inserting “925(d)”.

22 (3) NICS IMPROVEMENT AMENDMENTS ACT OF
23 2007.—Section 101(c)(2)(A)(iii) of the NICS Im-
24 provement Amendments Act of 2007 (34 U.S.C.

1 40911(c)(2)(A)(iii)) is amended by striking “925(c)”
2 and inserting “925(b)”.

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

7 **SEC. 16. ELIMINATION OF RELIEF WHILE FEDERAL DIS-**
8 **ABILITY RELIEF APPLICATION PENDING.**

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

16 **SEC. 17. PRESUMPTION OF KNOWLEDGE OF STATE LAW IN**
17 **SALE OF LONG GUNS TO RESIDENTS OF AN-**
18 **OTHER STATE.**

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

1 **SEC. 18. INCREASED PENALTIES FOR KNOWING TRANSFER**
 2 **OF FIREARM WITHOUT CONDUCTING A BACK-**
 3 **GROUND CHECK.**

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

10 **SEC. 19. UNLAWFUL ACTS UPON INCURRING FEDERAL DIS-**
 11 **ABILITY OR NOTICE OF LICENSE SUSPEN-**
 12 **SION, REVOCATION, OR DENIED RENEWAL.**

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

16 “(aa) UNLAWFUL ACTS UPON INCURRING FEDERAL
 17 DISABILITY OR NOTICE OF LICENSE SUSPENSION, REV-
 18 OCATION OR DENIED RENEWAL.—

19 “(1) IN GENERAL.—It shall be unlawful for a
 20 licensed importer, licensed manufacturer, licensed
 21 dealer, licensed collector, or licensed facilitator who
 22 incurs a disability imposed by Federal laws with re-
 23 spect to the acquisition, receipt, transfer, shipment,
 24 transportation, or possession of firearms or ammuni-
 25 tion during the term of a license issued under this
 26 chapter or while an application to renew such a li-

1 cense is pending, or who has been notified by the At-
2 torney General that a license issued to the licensee
3 under this chapter has been suspended or revoked or
4 that an application of the licensee to renew such a
5 license has been denied, to—

6 “(A) transfer a business inventory fire-
7 arm—

8 “(i) into the personal collection of the
9 licensee; or

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

13 “(B) receive a business inventory firearm.

14 “(2) WAIVER.—Upon a showing by a licensee of
15 good cause, the Attorney General may issue a writ-
16 ten waiver of paragraph (1) if the licensee authorizes
17 the Attorney General to inspect the records and in-
18 ventory of the licensee at any time to ensure that
19 the licensee is in compliance with this chapter.”.

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

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

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

8 **SEC. 20. REGULATION OF FACILITATORS OF FIREARM**
 9 **TRANSFERS.**

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

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

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

19 “(n) DUTIES OF FACILITATORS.—

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

22 “(A) inform each prospective seller using
 23 the commercial marketplace of the licensed
 24 facilitator that any offer for firearm sales, pur-
 25 chases, or other transfers made using the com-

1 merchial marketplace may be completed only
2 with the assistance of a licensed importer, li-
3 censed manufacturer, or licensed dealer, who
4 must take possession of the firearm directly
5 from the transferor for the purpose of com-
6 plying with section 922(t);

7 “(B) require each prospective firearm sell-
8 er using the commercial marketplace of the li-
9 censed facilitator to complete each firearm sale,
10 purchase, or other transfer as described in sub-
11 paragraph (A); and

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

15 “(i) the date of the offer;

16 “(ii) the name of the offeror;

17 “(iii) the name and the licensee num-
18 ber of the licensee that will take possession
19 of the firearm directly from the transferor;
20 and

21 “(iv) the model, serial number, type,
22 and caliber or gauge of the firearm in-
23 volved.

24 “(2) ADVANCE IDENTIFICATION OF LICENSED
25 DEALER.—A licensed facilitator may require a pro-

1 spective seller, as a condition of using the commer-
2 cial marketplace of the licensed facilitator, to, before
3 offering a firearm for sale, identify a licensed dealer
4 that will take possession of the firearm and complete
5 the sale.

6 “(3) LICENSEE COMPLIANCE.—On taking pos-
7 session of a firearm sold, purchased, or otherwise
8 transferred in a commercial marketplace of a li-
9 censed facilitator, a licensee shall comply with all re-
10 quirements of this chapter as if the licensee were
11 transferring the firearm from the inventory of the li-
12 censee to the unlicensed transferee.”.

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

15 (1) by inserting “(1)” before “Whoever”; and

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

17 “(2) Whoever, having accepted an offer to transfer
18 ownership of a firearm using a commercial marketplace
19 of a licensed facilitator in order to complete a firearm
20 transaction as described in subsection (n)(1), knowingly
21 transfers the firearm to a person not licensed under this
22 chapter without a licensed importer, licensed manufac-
23 turer, or licensed dealer first taking possession of the fire-
24 arm for the purpose of complying with section 922(t)—

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

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

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

14 (1) in section 922—

15 (A) in subsection (a)—

16 (i) in paragraph (1)—

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

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

21 (III) by adding at the end the
22 following:

23 “(C) except a licensed facilitator, to engage
24 in the business of hosting a commercial market-
25 place in which offers for firearm sales, pur-

1 chases, or other transfers are allowed to be
2 made;” and

3 (ii) in paragraph (6)—

4 (I) by striking “or licensed col-
5 lector” and inserting “licensed col-
6 lector, or licensed facilitator”; and

7 (II) by striking “or collector”
8 and inserting “collector, or
9 facilitator”; and

10 (B) in subsection (m), by striking “or li-
11 censed collector” and inserting “licensed col-
12 lector, or licensed facilitator”;

13 (2) in section 923—

14 (A) in subsection (c)(1), as so designated
15 by section 12 of this Act, in the first sentence,
16 by inserting “or facilitate firearm sales, pur-
17 chases, or other transfers” before “during the
18 period stated in the license”;

19 (B) in subsection (g)(1)(A)—

20 (i) in the first sentence, by striking
21 “and licensed dealer” and inserting “li-
22 censed dealer, and licensed facilitator”;
23 and

1 (ii) in the last sentence, by inserting
 2 “licensed facilitator,” before “or any li-
 3 censed importer”; and

4 (C) in subsection (j), in the first sentence,
 5 by striking “or licensed dealer” and inserting
 6 “licensed dealer, or licensed facilitator”; and

7 (3) in section 924(a)(3), as amended by section
 8 7—

9 (A) in subparagraph (A), in the matter
 10 preceding clause (i), by striking “or licensed
 11 collector” and inserting “licensed collector, or
 12 licensed facilitator”; and

13 (B) in subparagraph (B), by striking “or
 14 licensed collector” and inserting “licensed col-
 15 lector, or licensed facilitator”.

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

17 (a) REQUIREMENTS.—

18 (1) BACKGROUND CHECKS REQUIRED BEFORE
 19 ISSUANCE OR RENEWAL OF DEALERS LICENSE.—

20 Section 923(c)(1) of title 18, United States Code, as
 21 so designated by section 12 of this Act, is amended
 22 by inserting after the first sentence the following:
 23 “Notwithstanding the preceding sentence, the Attor-
 24 ney General may not issue or renew a license unless
 25 the Attorney General has contacted the national in-

1 stant criminal background check system established
2 under section 103 of the Brady Handgun Violence
3 Prevention Act (34 U.S.C. 40901) to determine
4 whether it would be unlawful for the applicant, or
5 any employee of the applicant identified by the ap-
6 plicant on the application as trusted with the posses-
7 sion or receipt of any firearm, to be transferred or
8 receive a firearm, and the system has notified the
9 Attorney General that the information available to
10 the system does not demonstrate that the transfer to
11 or receipt of a firearm by the applicant or any such
12 employee would violate subsection (d), (g), or (n) (as
13 applicable) of section 922 or State, local, or Tribal
14 law where the business premises of the applicant
15 subject to the license is located.”

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

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

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

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

10 “(C) the system has notified the licensee that
11 the information available to the system does not
12 demonstrate that the transfer of a firearm to, or re-
13 ceipt of a firearm by, the individual would violate
14 subsection (d), (g), or (n) (as applicable) of section
15 922 or State, local, or Tribal law.”.

16 (b) AUTHORITY OF NICS SYSTEM TO RESPOND TO
17 LICENSED DEALER REQUEST FOR CRIMINAL BACK-
18 GROUND CHECK OF EMPLOYEE OR APPLICANT FOR EM-
19 PLOYMENT.—Section 103(b)(2) of the Brady Handgun
20 Violence Prevention Act (34 U.S.C. 40901(b)(2)) is
21 amended—

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

24 (2) in subparagraph (A), by striking “volun-
25 tarily”.

1 (c) AUTHORITY OF NICS SYSTEM TO SEARCH NA-
2 TIONAL DATA EXCHANGE.—Section 103(e)(1) of the
3 Brady Handgun Violence Prevention Act (34 U.S.C.
4 40901(e)(1)) is amended by adding at the end the fol-
5 lowing:

6 “(L) SEARCH OF NATIONAL DATA EX-
7 CHANGE DATABASE.—The system established
8 under this section shall include a search of the
9 database of the National Data Exchange when
10 conducting a background check under this sec-
11 tion.”.

12 **SEC. 22. LIABILITY STANDARDS.**

13 (a) LIABILITY IN LICENSING.—Section 923 of title
14 18, United States Code, is amended—

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

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

19 (b) LIABILITY IN PENALTIES.—Section 924 of title
20 18, United States Code, is amended—

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

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

1 **SEC. 23. CIVIL ENFORCEMENT.**

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

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

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

7 “(2) If the Attorney General finds that a person has
8 engaged in conduct that constitutes a violation of section
9 922(a)(1)(A), the Attorney General shall—

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

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

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

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

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

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

3 “(i) in the case of the first such viola-
4 tion by the licensed dealer, if not preceded
5 by a violation to which subparagraph (B)
6 applies, transmit to the licensed dealer a
7 written notice specifying the violation,
8 which shall include a copy of the regulation
9 violated;

10 “(ii) in the case of the second such
11 violation by the licensed dealer, if not pre-
12 ceded by a violation to which subparagraph
13 (B) applies, impose a civil penalty in an
14 amount that is not less than \$2,500 and
15 not more than \$20,000;

16 “(iii) in the case of the third such vio-
17 lation by the licensed dealer, if not pre-
18 ceded by a violation to which subparagraph
19 (B) applies, suspend the license to deal in
20 firearms issued to the licensed dealer
21 under this chapter until the violation
22 ceases;

23 “(iv) in the case of the fourth such
24 violation by the licensed dealer, whether or
25 not preceded by a violation to which sub-

1 paragraph (B) applies, revoke the license;
2 or

3 “(v) in the case of any such violation
4 by the licensed dealer, if preceded by a vio-
5 lation to which subparagraph (B) applies,
6 apply the penalty authorized under this
7 subsection that is 1 level greater in sever-
8 ity than the level of severity of the penalty
9 most recently applied to the licensed dealer
10 under this subsection; or

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

13 “(i) in the case of the first such viola-
14 tion by the licensed dealer, impose a civil
15 penalty in an amount that is not less than
16 \$2,500 and not more than \$20,000;

17 “(ii) in the case of the second such
18 violation by the licensed dealer—

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

21 “(II) suspend the license to deal
22 in firearms issued to the licensed deal-
23 er under this chapter until the viola-
24 tion ceases; or

1 “(iii) in the case of the third such vio-
2 lation by the licensed dealer, revoke the li-
3 cense to deal in firearms issued to the li-
4 censed dealer under this chapter.

5 “(2) SUSPENSION OF LICENSE.—In the case of
6 any violation described in paragraph (1), if the At-
7 torney General finds that the nature of the violation
8 indicates that the continued operation of a firearms
9 business by the licensed dealer presents an imminent
10 risk to public safety, the Attorney General shall, not-
11 withstanding paragraph (1), immediately suspend
12 the license to deal in firearms issued to the licensed
13 dealer under this chapter and secure the firearms in-
14 ventory of the licensed dealer, until the violation
15 ceases, unless the appropriate penalty under para-
16 graph (1) is revocation of the license, in which case
17 the Attorney General shall immediately revoke the li-
18 cense and secure the firearms inventory of the li-
19 censed dealer.”.

20 **SEC. 24. REMOVAL OF BAR ON CIVIL PROCEEDINGS IF**
21 **CRIMINAL PROCEEDINGS TERMINATED.**

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

1 **SEC. 25. REPEAL OF CERTAIN LIMITATIONS.**

2 (a) LIMITATIONS RELATED TO USE OF FIREARMS
3 TRACE DATA.—

4 (1) FISCAL YEAR 2012.—The matter under the
5 heading “SALARIES AND EXPENSES” under the
6 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
7 ARMS AND EXPLOSIVES” in title II of division B of
8 the Consolidated and Further Continuing Appropria-
9 tions Act, 2012 (18 U.S.C. 923 note; Public Law
10 112–55; 125 Stat. 609) is amended by striking the
11 sixth proviso.

12 (2) FISCAL YEAR 2010.—The sixth proviso
13 under the heading “SALARIES AND EXPENSES”
14 under the heading “BUREAU OF ALCOHOL, TO-
15 BACCO, FIREARMS AND EXPLOSIVES” in title II of
16 division B of the Consolidated Appropriations Act,
17 2010 (Public Law 111–117; 123 Stat. 3128) is
18 amended by striking “beginning in fiscal year 2010
19 and thereafter” and inserting “in fiscal year 2010”.

20 (3) FISCAL YEAR 2009.—The sixth proviso
21 under the heading “SALARIES AND EXPENSES”
22 under the heading “BUREAU OF ALCOHOL, TO-
23 BACCO, FIREARMS AND EXPLOSIVES” in title II of
24 division B of the Omnibus Appropriations Act, 2009
25 (Public Law 111–8; 123 Stat. 575) is amended by

1 striking “beginning in fiscal year 2009 and there-
2 after” and inserting “in fiscal year 2009”.

3 (4) FISCAL YEAR 2008.—The sixth proviso
4 under the heading “SALARIES AND EXPENSES”
5 under the heading “BUREAU OF ALCOHOL, TO-
6 BACCO, FIREARMS AND EXPLOSIVES” in title II of
7 division B of the Consolidated Appropriations Act,
8 2008 (Public Law 110–161; 121 Stat. 1903) is
9 amended by striking “beginning in fiscal year 2008
10 and thereafter” and inserting “in fiscal year 2008”.

11 (5) FISCAL YEAR 2006.—The sixth proviso
12 under the heading “SALARIES AND EXPENSES”
13 under the heading “BUREAU OF ALCOHOL, TO-
14 BACCO, FIREARMS AND EXPLOSIVES” in title I of
15 the Science, State, Justice, Commerce, and Related
16 Agencies Appropriations Act, 2006 (Public Law
17 109–108; 119 Stat. 2295) is amended by striking
18 “with respect to any fiscal year”.

19 (6) FISCAL YEAR 2005.—The sixth 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 2005 (Public Law 108–447; 118 Stat. 2859) is

1 amended by striking “with respect to any fiscal
2 year”.

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

8 (b) LIMITATIONS RELATING TO CONSOLIDATING AND
9 CENTRALIZING RECORDS.—The first proviso under the
10 heading “SALARIES AND EXPENSES” under the heading
11 “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EX-
12 PLOSIVES” in title II of division B of the Consolidated and
13 Further Continuing Appropriations Act, 2012 (18 U.S.C.
14 923 note; Public Law 112–55; 125 Stat. 609) is amended
15 by striking “or hereafter”.

16 (c) REQUIREMENT TO DESTROY INSTANT CRIMINAL
17 BACKGROUND CHECK RECORDS WITHIN 24 HOURS.—
18 Section 511 of division B of the Consolidated and Further
19 Continuing Appropriations Act, 2012 (34 U.S.C. 40901
20 note; Public Law 112–55; 125 Stat. 632) is amended—

21 (1) by striking “—” and all that follows
22 through “(1)”; and

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

1 **SEC. 26. AUTHORITY TO HIRE ADDITIONAL INDUSTRY OP-**
2 **ERATION INVESTIGATORS FOR BUREAU OF**
3 **ALCOHOL, TOBACCO, FIREARMS, AND EXPLO-**
4 **SIVES.**

5 The Attorney General may hire 650 industry oper-
6 ation investigators for the Bureau of Alcohol, Tobacco,
7 Firearms, and Explosives, to be distributed among the
8 various field divisions to match the number and distribu-
9 tion of persons licensed under chapter 44 of title 18,
10 United States Code, in addition to any personnel needed
11 to carry out this Act and the amendments made by this
12 Act and any industry operation investigators authorized
13 by other law.

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

15 Not later than 2 years after the date of enactment
16 of this Act, the Attorney General shall submit to Congress
17 and publish on the website of the Department of Justice
18 a written report on the implementation of this Act and
19 the amendments made by this Act, including any steps
20 needed to complete the implementation, which shall iden-
21 tify any additional resources that are required to—

22 (1) conduct regular inspections under chapter
23 44 of title 18, United States Code; and

24 (2) ensure that this Act and the amendments
25 made by this Act are enforced against noncompliant

1 federally licensed firearms dealers in a timely man-
2 ner.

3 **SEC. 28. ANNUAL LICENSED DEALER INSPECTIONS REPORT**
4 **AND ANALYSIS.**

5 (a) IN GENERAL.—Not later than 2 years after the
6 date of enactment of this Act, and annually thereafter,
7 the Attorney General shall submit to Congress and publish
8 on the website of the Department of Justice a report that
9 contains the information described in subsection (b) with
10 respect to—

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

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

15 (b) CONTENTS.—Each report under subsection (a)
16 shall state, with respect to the applicable reporting pe-
17 riod—

18 (1) the number of inspections or examinations
19 conducted of Type 01, Type 02, and Type 07 Fed-
20 eral firearm licensees (dealers, pawnbrokers, and
21 manufacturers, respectively) by each field division of
22 the Bureau of Alcohol, Tobacco, Firearms, and Ex-
23 plosives, including by the number of inspections or
24 examinations of high-risk dealers and non-high-risk
25 dealers (as those terms are used in clause (ii) of sec-

1 tion 923(g)(1)(B) of title 18, United States Code, as
2 added by section 11 of this Act);

3 (2) the number of security inspections under
4 subparagraph (B) of section 923(g)(6) of title 18,
5 United States Code, as added by section 11 of this
6 Act, prompted by dealer reports of lost or stolen
7 firearms under subparagraph (A) of such section
8 923(g)(6), as so designated by section 11 of this
9 Act, and the number of follow-up security inspec-
10 tions conducted during the 6-month period following
11 a security inspection revealing a violation;

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

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

15 (B) inspections or examinations of non-
16 high-risk dealers (as described in paragraph
17 (1));

18 (C) security inspections (as described in
19 paragraph (2)); and

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

22 (4) an analysis of the most frequently cited vio-
23 lations and corrective actions or penalties imposed in
24 each inspection or examination described in para-

1 graph (1) or security inspection described in para-
2 graph (2), including—

3 (A) the number of licenses recommended
4 to be suspended or revoked;

5 (B) the number of licensees sent notices of
6 suspension or revocation;

7 (C) the number of hearings requested by
8 licensees on receipt of a notice of suspension or
9 revocation;

10 (D) the number of suspension or revoca-
11 tion hearings initiated during a prior 12-month
12 period that remain ongoing during the 12-
13 month period covered by the report; and

14 (E) the decision ultimately rendered in
15 each such matter by the Director of the Bureau
16 of Alcohol, Tobacco, Firearms, and Explosives.

17 **SEC. 29. DEADLINE FOR ISSUANCE OF FINAL REGULA-**
18 **TIONS.**

19 Not later than 2 years after the date of enactment
20 of this Act, the Attorney General shall prescribe all regula-
21 tions required to carry out this Act and the amendments
22 made by this Act.

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