

119TH CONGRESS
1ST SESSION

S. 1294

To modernize the business of selling firearms.

IN THE SENATE OF THE UNITED STATES

APRIL 3, 2025

Mr. DURBIN (for himself, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Ms. HIRONO, Mr. BOOKER, Mr. PADILLA, Mr. WELCH, Mrs. SHAHEEN, and Mr. REED) 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 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.

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

21 “(A) utilizes a portion of the energy of a firing
22 shell to extract the fired shell casing and chamber
23 the next round; and

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

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

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

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

6 (1) in section 922—

7 (A) in subsection (t)—

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

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

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

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

16 (B) in subsection (y)(2), in the matter pre-
17 ceding subparagraph (A), by striking “,
18 (g)(5)(B), and (s)(3)(B)(v)(II)” and inserting
19 “and (g)(5)(B)”;

20 (2) in section 924(a)(5), by striking “subsection
21 (s) or (t) of section 922” and inserting “section
22 922(t)”; and

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

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

2 (a) SECURITY PLAN SUBMISSION REQUIREMENT.—

3 (1) IN GENERAL.—Section 923(d)(1)(G) of title
4 18, United States Code, is amended—

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

7 “(i) the applicant”;

8 (B) by striking the period at the end and
9 inserting “; and”; and

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

11 “(ii) the applicant—

12 “(I) submits with the application a se-
13 curity plan that describes how the appli-
14 cant will secure, in accordance with the
15 regulations issued under section 926(d),
16 the premises from which the applicant will
17 conduct business under the license (includ-
18 ing in the event of a natural disaster or
19 other emergency); and

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

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

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

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

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

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

9 “(i) the license is not suspended;

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

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

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

18 (A) IN GENERAL.—If, not later than 1
19 year after the date on which regulations are
20 prescribed under section 926(d) of title 18,
21 United States Code (as added by subsection (c)
22 of this section), a person described in subpara-
23 graph (B) of this paragraph submits to the At-
24 torney General a security plan described in
25 clause (ii)(I) of section 923(d)(1)(G) of that

1 title (as added by paragraph (1) of this sub-
 2 section), the security plan shall be considered to
 3 have been submitted in accordance with such
 4 section 923(d)(1)(G).

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

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

11 (ii) whose license to deal in firearms
 12 issued under chapter 44 of title 18, United
 13 States Code, will expire on or after the
 14 date that is 1 year after the date on which
 15 regulations are prescribed under section
 16 926(d) of that title (as added by sub-
 17 section (c) of this section).

18 (b) ANNUAL COMPLIANCE CERTIFICATION REQUIRE-
 19 MENT.—

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

23 “(m) ANNUAL CERTIFICATION.—

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

1 “(A) annually certify to the Attorney Gen-
2 eral that each premises from which the licensee
3 conducts business subject to license under this
4 chapter is in compliance with the regulations
5 prescribed under section 926(d); and

6 “(B) in the case of a licensed dealer, in-
7 clude with the certification under subparagraph
8 (A)—

9 “(i) the results of a reconciliation of
10 the resale firearms then in the business in-
11 ventory of the licensee against the resale
12 firearms in the business inventory of the li-
13 censee at the time of the most recent prior
14 certification (if any) under this paragraph;
15 and

16 “(ii) all dispositions and acquisitions
17 of resale firearms in the year covered by
18 the certification, identifying and reporting
19 any missing firearm.

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

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

10 (c) REGULATIONS.—

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

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

19 “(1) compliance with the security plan sub-
 20 mitted by the licensee pursuant to section
 21 923(d)(1)(G)(ii)(I), if applicable;

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

24 “(3) security systems, video monitoring, and
 25 anti-theft alarms;

1 “(4) security gates, strong locks, and site hard-
2 ening;

3 “(5) concrete bollards and other access controls,
4 if necessary; and

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

8 (2) APPLICABILITY.—The regulations pre-
9 scribed under section 926(d) of title 18, United
10 States Code, as added by paragraph (1), shall not
11 apply to a person who, on the date of the enactment
12 of this Act, is a licensee referred to in section
13 923(m) of that title, until the date that is 1 year
14 after the date on which the regulations are pre-
15 scribed.

16 **SEC. 6. BUSINESS INVENTORY FIREARMS.**

17 (a) REQUIREMENT TO TRANSFER FIREARM IN PER-
18 SONAL COLLECTION TO BUSINESS INVENTORY BEFORE
19 DISPOSITION.—Section 923(c) of title 18, United States
20 Code, is amended—

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

1 (2) by striking the third sentence; and

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

5 (b) LICENSEE FIREARMS INVENTORY.—Section
6 923(g) of title 18, United States Code, is amended by add-
7 ing at the end the following:

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

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

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

18 “(ii) the name, address, and license number, if
19 applicable, of the person from whom the firearm was
20 received;

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

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

1 “(v) the date of the sale or other disposition of
2 the firearm.

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

8 (c) REPEAL OF LIMITATIONS ON IMPOSITION OF RE-
9 QUIREMENT THAT FIREARMS DEALERS CONDUCT PHYS-
10 ICAL CHECK OF FIREARMS INVENTORY.—

11 (1) FISCAL YEAR 2013.—The fifth proviso under
12 the heading “SALARIES AND EXPENSES” under the
13 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
14 ARMS AND EXPLOSIVES” in title II of division B of
15 the Consolidated and Further Continuing Appropria-
16 tions Act, 2013 (18 U.S.C. 923 note; Public Law
17 113–6; 127 Stat. 248) is amended by striking “and
18 any fiscal year thereafter”.

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

1 (3) FISCAL YEAR 2010.—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 II of
5 division B of the Consolidated Appropriations Act,
6 2010 (Public Law 111–117; 123 Stat. 3129) is
7 amended by striking “or any other”.

8 (4) FISCAL YEAR 2009.—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 Omnibus Appropriations Act, 2009
13 (Public Law 111–8; 123 Stat. 575) is amended by
14 striking “or any other”.

15 (5) FISCAL YEAR 2008.—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 Consolidated Appropriations Act,
20 2008 (Public Law 110–161; 121 Stat. 1904) is
21 amended by striking “or any other”.

22 (6) FISCAL YEAR 2006.—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 I of

the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109–108; 119 Stat. 2296) is amended by striking “or any other”.

(7) FISCAL YEAR 2005.—The seventh proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title I of division B of the Consolidated Appropriations Act, 2005 (Public Law 108–447; 118 Stat. 2860) is amended by striking “or any other”.

(8) FISCAL YEAR 2004.—The seventh proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title I of division B of the Consolidated Appropriations Act, 2004 (Public Law 108–199; 118 Stat. 53) is amended by striking “or any other”.

SEC. 7. ELECTRONIC RECORDS.

(a) RECORDS RETENTION AND SUBMISSION.—Section 923(g) of title 18, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by inserting before the period at the end the following: “, except that, notwithstanding any other provision

1 of law, on and after the date that is 1 year
 2 after the date of enactment of the Federal Fire-
 3 arm Licensee Act, records prepared by a li-
 4 censee under this chapter of the sale or other
 5 disposition of firearms, including each firearms
 6 transaction record, and the corresponding
 7 record of receipt of such firearms, shall be re-
 8 tained at the business premises readily acces-
 9 sible for inspection under this chapter until the
 10 business is discontinued”; and

11 (B) by striking the second sentence;

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

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

16 (b) RECORDS DATABASES.—Section 923(g) of title
 17 18, United States Code, as amended by section 6, is
 18 amended by adding at the end the following:

19 “(9)(A) Not later than 3 years after the date of en-
 20 actment of this paragraph, the National Tracing Center
 21 of the Bureau of Alcohol, Tobacco, Firearms, and Explo-
 22 sives shall establish and maintain electronic, searchable
 23 databases of all records regarding the importation, pro-
 24 duction, shipment, receipt, sale, or other disposition of

1 firearms required to be submitted by licensees to the At-
2 torney General under this chapter.

3 “(B) Each licensee under this chapter may provide
4 the National Tracing Center with electronic access, con-
5 sistent with the requirements of this paragraph, to all
6 records within the possession of the licensee that are re-
7 quired to be kept under this chapter.

8 “(C) The National Tracing Center—

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

12 “(ii) with the permission of a State, or political
13 subdivision of a State, may query, search, or other-
14 wise access the databases of the firearms registra-
15 tion system or pawnbroker records system of the
16 State or political subdivision.

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

22 “(E) The electronic databases established under sub-
23 paragraph (A)—

24 “(i) shall be electronically searchable by date of
25 disposition, license number, and the information

1 identified on each firearm or other firearm
2 descriptor, including the manufacturer, importer,
3 model, serial number, type, and caliber or gauge;

4 “(ii) shall not be electronically searchable by
5 the personally identifiable information of any indi-
6 vidual, without a warrant authorizing such a search;
7 and

8 “(iii) shall include in search results the entire
9 contents of the relevant records kept by the li-
10 censee.”.

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

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

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

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

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

5 (d) INCREASED PENALTIES FOR LICENSEE VIOLA-
 6 TIONS RELATING TO ACQUISITION AND DISPOSITION
 7 RECORDS.—Section 924(a)(3) of title 18, United States
 8 Code, is amended—

9 (1) by redesignating subparagraphs (A) and
 10 (B) as clauses (i) and (ii), respectively, and adjust-
 11 ing the margins accordingly;

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

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

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

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

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

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

4 (1) in the first sentence, by striking “records
 5 required to be maintained under this chapter or any
 6 portion of the contents of such records, be recorded
 7 at or transferred to a facility owned, managed, or
 8 controlled by the United States or any State or any
 9 political subdivision thereof, nor that”; and

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

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

16 “(e) FACILITATION OF ELECTRONIC RECORD-
 17 KEEPING.—The Attorney General—

18 “(1) shall facilitate and incentivize the conver-
 19 sion to, and adoption of, electronic recordkeeping so-
 20 lutions by licensees that enable electronic completion
 21 and submission to the Attorney General of all
 22 records required to be maintained under this chap-
 23 ter;

24 “(2) shall facilitate—

1 “(A) digital capture of paper records of li-
2 censed dealers; and

3 “(B) the integration and indexing of data
4 onto a platform accessible by law enforcement
5 authorities for purposes of investigating a vio-
6 lent crime or crime gun trace;

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

10 “(A) remote access to electronic records of
11 licensed dealers by law enforcement authorities
12 for purposes of investigating a violent crime or
13 crime gun trace; and

14 “(B) access by licensed dealers to only
15 their own records; and

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

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

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

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

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

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

2 “(E) in the case of a transfer conducted pursu-
3 ant to subparagraph (B)(ii) or clause (ii) or (iii) of
4 subparagraph (C), the licensee notifies the Attorney
5 General, not later than the close of business on the
6 day on which the firearm is transferred, that the
7 firearm has been transferred to the person.”.

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

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

13 (1) in the first sentence, by striking “pistols, or
14 revolvers, or any combination of pistols and revolv-
15 ers” and inserting “pistols, revolvers, semiautomatic
16 rifles or shotguns, or rifles or shotguns capable of
17 accepting a high capacity magazine, or any combina-
18 tion of such weapons”; and

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

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

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

7 (2) by striking “(other than the identifying
 8 number and the date the number was assigned)”;
 9 and

10 (3) by inserting before the period at the end the
 11 following: “solely for purposes related to discovering
 12 misuse or avoidance of the national instant criminal
 13 background check system or ensuring its proper op-
 14 eration”.

15 (c) ATTORNEY GENERAL REPORTS OF MULTIPLE
 16 SALES BY NON-LICENSEES.—Section 923(g)(3) of title
 17 18, United States Code, is amended—

18 (1) by redesignating subparagraph (B) as sub-
 19 paragraph (C); and

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

22 “(B)(i) The Attorney General shall prepare a report
 23 of multiple dispositions of firearms to persons not licensed
 24 under this chapter, which shall include the names and
 25 identifying information of transferees appearing in the

1 records retained under section 922(t)(2)(C) on 2 or more
 2 occasions in any period of 5 consecutive business days.

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

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

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

20 (1) in the first sentence—

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

24 (B) by striking “, and shall destroy each
 25 such form and any record of the contents there-

of no more than 20 days from the date such form is received” and inserting “and shall retain each such form and any record of the contents of the form for not less than 180 days after the date on which the form is received”; and

(2) by striking the second sentence.

SEC. 10. SAFETY DEVICES AND WARNINGS TO PURCHASERS.

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

(1) by inserting “AND WARNINGS TO PURCHASERS” after “SECURE GUN STORAGE OR SAFETY DEVICE”;

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

(3) by adding at the end the following:

“(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 INSPECTIONS OF OTHER LICENSED DEALERS.—Section 923(g)(1)(B) of title 18, United States Code, is amended—

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

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

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

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

6 “(ii)(I) The Attorney General—

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

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

14 “(BB) during the preceding 10 years, the
 15 dealer was issued a report of violation, received
 16 a warning letter, or was the subject of a warn-
 17 ing conference; or

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

22 “(bb) may appoint an attorney to ensure that
 23 high-risk dealers comply with all applicable firearm
 24 sales laws.

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

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

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

24 (b) ELIMINATION OF LIMIT ON INSPECTION OF LI-
 25 CENSEE RECORDS.—Section 923(g)(1)(B)(i)(II) of title

1 18, United States Code, as redesignated by subsection (a),
 2 is amended—

3 (1) by striking “—” and all that follows
 4 through “(bb)”;

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

8 (c) MANDATED SECURITY INSPECTION OF DEALERS
 9 REPORTING LOST OR STOLEN FIREARMS.—Section
 10 923(g)(6) of title 18, United States Code, is amended—

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

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

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

20 “(ii) On completion of a security inspection under
 21 clause (i), the Attorney General shall provide the licensed
 22 dealer with—

23 “(I) a notice of any violation by the licensed
 24 dealer of any security requirements prescribed under
 25 section 926(d); and

1 “(II) recommendations for improving security
2 of the premises involved.”.

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

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

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

10 (1) in subsection (c)—

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

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

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

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

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

21 “(B) the applicant—

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

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

25 (2) in subsection (d)(1)—

1 (A) in the matter preceding subparagraph
 2 (A), by striking “shall” and inserting “or re-
 3 newal thereof shall, subject to subsection
 4 (c)(2),”;

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

8 (C) in subparagraph (F)—

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

11 (ii) by adding at the end the fol-
 12 lowing:

13 “(iv) each employee employed in the
 14 business—

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

19 “(II) is not prohibited from being
 20 transferred a firearm, or transporting,
 21 shipping, or receiving firearms or am-
 22 munition, in interstate or foreign com-
 23 merce by subsection (d), (g), or (n)
 24 (as applicable) of section 922 or by
 25 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(c)”;

13 (iii) in subsection (r), by striking
 14 “925(d)(3) of this chapter” and inserting
 15 “925(c)(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
 6 “925(d)(3)” and inserting “925(c)(3)”.

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-

mercant marketplace may be completed only with the assistance of a licensed importer, licensed manufacturer, or licensed dealer, who must take possession of the firearm directly from the transferor for the purpose of complying with section 922(t);

“(B) require each prospective firearm seller using the commercial marketplace of the licensed facilitator to complete each firearm sale, purchase, or other transfer as described in subparagraph (A); and

“(C) maintain records of any sale, purchase, or other transfer described in subparagraph (A), which shall include—

“(i) the date of the offer;

“(ii) the name of the offeror;

“(iii) the name and the licensee number of the licensee that will take possession of the firearm directly from the transferor; and

“(iv) the model, serial number, type, and caliber or gauge of the firearm involved.

“(2) ADVANCE IDENTIFICATION OF LICENSED 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 for not more than
 11 10 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 matter preceding clause

21 (i)—

22 (I) in the first sentence, by strik-
 23 ing “and licensed dealer” and insert-
 24 ing “licensed dealer, and licensed
 25 facilitator”; and

1 (II) in the last sentence, by in-
 2 serting “licensed facilitator,” before
 3 “or any licensed importer”;

4 (ii) in clause (i), by striking “or li-
 5 censed collector” and inserting “, licensed
 6 collector, or licensed facilitator”; and

7 (iii) in clause (ii), by striking “or li-
 8 censed collector” and inserting “, licensed
 9 collector, or licensed facilitator”; and

10 (C) in subsection (j), in the first sentence,
 11 by striking “or licensed dealer” and inserting
 12 “licensed dealer, or licensed facilitator”; and

13 (3) in section 924(a)(3), as amended by section
 14 7—

15 (A) in subparagraph (A), in the matter
 16 preceding clause (i), by striking “or licensed
 17 collector” and inserting “licensed collector, or
 18 licensed facilitator”; and

19 (B) in subparagraph (B), by striking “or
 20 licensed collector” and inserting “licensed col-
 21 lector, or licensed facilitator”.

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

23 (a) REQUIREMENTS.—

24 (1) BACKGROUND CHECKS REQUIRED BEFORE
 25 ISSUANCE OR RENEWAL OF DEALERS LICENSE.—

1 Section 923(c)(1) of title 18, United States Code, as
2 so designated by section 12 of this Act, is amended
3 by inserting after the first sentence the following:
4 “Notwithstanding the preceding sentence, the Attor-
5 ney General may not issue or renew a license unless
6 the Attorney General has contacted the national in-
7 stant criminal background check system established
8 under section 103 of the Brady Handgun Violence
9 Prevention Act (34 U.S.C. 40901) to determine
10 whether it would be unlawful for the applicant, or
11 any employee of the applicant identified by the ap-
12 plicant on the application as trusted with the posses-
13 sion or receipt of any firearm, to be transferred or
14 receive a firearm, and the system has notified the
15 Attorney General that the information available to
16 the system does not demonstrate that the transfer to
17 or receipt of a firearm by the applicant or any such
18 employee would violate subsection (d), (g), or (n) (as
19 applicable) of section 922 or State, local, or Tribal
20 law where the business premises of the applicant
21 subject to the license is located.”.

22 (2) BACKGROUND CHECK REQUIRED BEFORE
23 FIREARM POSSESSION BY DEALER EMPLOYEE.—Sec-
24 tion 923(g) of title 18, United States Code, as

1 amended by section 7 of this Act, is amended by
2 adding at the end the following:

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

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

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

16 “(C) the system has notified the licensee that
17 the information available to the system does not
18 demonstrate that the transfer of a firearm to, or re-
19 ceipt of a firearm by, the individual would violate
20 subsection (d), (g), or (n) (as applicable) of section
21 922 or State, local, or Tribal law.”.

22 (b) AUTHORITY OF NICS SYSTEM TO RESPOND TO
23 LICENSED DEALER REQUEST FOR CRIMINAL BACK-
24 GROUND CHECK OF EMPLOYEE OR APPLICANT FOR EM-
25 PLOYMENT.—Section 103(b)(2) of the Brady Handgun

1 Violence Prevention Act (34 U.S.C. 40901(b)(2)) is
2 amended—

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

5 (2) in subparagraph (A), by striking “volun-
6 tarily”.

7 (c) AUTHORITY OF NICS SYSTEM TO SEARCH NA-
8 TIONAL DATA EXCHANGE.—Section 103(e)(1) of the
9 Brady Handgun Violence Prevention Act (34 U.S.C.
10 40901(e)(1)) is amended by adding at the end the fol-
11 lowing:

12 “(L) SEARCH OF NATIONAL DATA EX-
13 CHANGE DATABASE.—The system established
14 under this section shall include a search of the
15 database of the National Data Exchange when
16 conducting a background check under this sec-
17 tion.”.

18 **SEC. 22. LIABILITY STANDARDS.**

19 (a) LIABILITY IN LICENSING.—Section 923 of title
20 18, United States Code, is amended—

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

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

1 (b) LIABILITY IN PENALTIES.—Section 924 of title
2 18, United States Code, is amended—

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

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

7 **SEC. 23. CIVIL ENFORCEMENT.**

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

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

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

13 “(2) If the Attorney General finds that a person has
14 engaged in conduct that constitutes a violation of section
15 922(a)(1)(A), the Attorney General shall—

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

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

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

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

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

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

9 “(i) in the case of the first such viola-
10 tion by the licensed dealer, if not preceded
11 by a violation to which subparagraph (B)
12 applies, transmit to the licensed dealer a
13 written notice specifying the violation,
14 which shall include a copy of the regulation
15 violated;

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

22 “(iii) in the case of the third such vio-
23 lation by the licensed dealer, if not pre-
24 ceded by a violation to which subparagraph
25 (B) applies, suspend the license to deal in

1 firearms issued to the licensed dealer
2 under this chapter until the violation
3 ceases;

4 “(iv) in the case of the fourth such
5 violation by the licensed dealer, whether or
6 not preceded by a violation to which sub-
7 paragraph (B) applies, revoke the license;
8 or

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

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

19 “(i) in the case of the first such viola-
20 tion by the licensed dealer, impose a civil
21 penalty in an amount that is not less than
22 \$2,500 and not more than \$20,000;

23 “(ii) in the case of the second such
24 violation by the licensed dealer—

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

3 “(II) suspend the license to deal
4 in firearms issued to the licensed deal-
5 er under this chapter until the viola-
6 tion ceases; or

7 “(iii) in the case of the third such vio-
8 lation by the licensed dealer, revoke the li-
9 cense to deal in firearms issued to the li-
10 censed dealer under this chapter.

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

1 **SEC. 24. REMOVAL OF BAR ON CIVIL PROCEEDINGS IF**
 2 **CRIMINAL PROCEEDINGS TERMINATED.**

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

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

6 (a) LIMITATIONS RELATED TO USE OF FIREARMS
 7 TRACE DATA.—

8 (1) FISCAL YEAR 2012.—The matter under the
 9 heading “SALARIES AND EXPENSES” under the
 10 heading “BUREAU OF ALCOHOL, TOBACCO, FIRE-
 11 ARMS AND EXPLOSIVES” in title II of division B of
 12 the Consolidated and Further Continuing Appropria-
 13 tions Act, 2012 (18 U.S.C. 923 note; Public Law
 14 112–55; 125 Stat. 609) is amended by striking the
 15 sixth proviso.

16 (2) FISCAL YEAR 2010.—The sixth proviso
 17 under the heading “SALARIES AND EXPENSES”
 18 under the heading “BUREAU OF ALCOHOL, TO-
 19 BACCO, FIREARMS AND EXPLOSIVES” in title II of
 20 division B of the Consolidated Appropriations Act,
 21 2010 (Public Law 111–117; 123 Stat. 3128) is
 22 amended by striking “beginning in fiscal year 2010
 23 and thereafter” and inserting “in fiscal year 2010”.

24 (3) FISCAL YEAR 2009.—The sixth proviso
 25 under the heading “SALARIES AND EXPENSES”
 26 under the heading “BUREAU OF ALCOHOL, TO-

1 BACCO, FIREARMS AND EXPLOSIVES” in title II of
 2 division B of the Omnibus Appropriations Act, 2009
 3 (Public Law 111–8; 123 Stat. 575) is amended by
 4 striking “beginning in fiscal year 2009 and there-
 5 after” and inserting “in fiscal year 2009”.

6 (4) FISCAL YEAR 2008.—The sixth proviso
 7 under the heading “SALARIES AND EXPENSES”
 8 under the heading “BUREAU OF ALCOHOL, TO-
 9 BACCO, FIREARMS AND EXPLOSIVES” in title II of
 10 division B of the Consolidated Appropriations Act,
 11 2008 (Public Law 110–161; 121 Stat. 1903) is
 12 amended by striking “beginning in fiscal year 2008
 13 and thereafter” and inserting “in fiscal year 2008”.

14 (5) FISCAL YEAR 2006.—The sixth proviso
 15 under the heading “SALARIES AND EXPENSES”
 16 under the heading “BUREAU OF ALCOHOL, TO-
 17 BACCO, FIREARMS AND EXPLOSIVES” in title I of
 18 the Science, State, Justice, Commerce, and Related
 19 Agencies Appropriations Act, 2006 (Public Law
 20 109–108; 119 Stat. 2295) is amended by striking
 21 “with respect to any fiscal year”.

22 (6) FISCAL YEAR 2005.—The sixth proviso
 23 under the heading “SALARIES AND EXPENSES”
 24 under the heading “BUREAU OF ALCOHOL, TO-
 25 BACCO, FIREARMS AND EXPLOSIVES” in title I of di-

1 vision B of the Consolidated Appropriations Act,
 2 2005 (Public Law 108–447; 118 Stat. 2859) is
 3 amended by striking “with respect to any fiscal
 4 year”.

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

10 (b) LIMITATIONS RELATING TO CONSOLIDATING AND
 11 CENTRALIZING RECORDS.—The first proviso under the
 12 heading “SALARIES AND EXPENSES” under the heading
 13 “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EX-
 14 PLOSIVES” in title II of division B of the Consolidated and
 15 Further Continuing Appropriations Act, 2012 (18 U.S.C.
 16 923 note; Public Law 112–55; 125 Stat. 609) is amended
 17 by striking “or hereafter”.

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

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

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

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

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

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

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

24 (1) conduct regular inspections under chapter
25 44 of title 18, United States Code; and

1 (2) ensure that this Act and the amendments
2 made by this Act are enforced against noncompliant
3 federally licensed firearms dealers in a timely man-
4 ner.

5 **SEC. 28. ANNUAL LICENSED DEALER INSPECTIONS REPORT**
6 **AND ANALYSIS.**

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

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

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

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

20 (1) the number of inspections or examinations
21 conducted of Type 01, Type 02, and Type 07 Fed-
22 eral firearm licensees (dealers, pawnbrokers, and
23 manufacturers, respectively) by each field division of
24 the Bureau of Alcohol, Tobacco, Firearms, and Ex-
25 plosives, including by the number of inspections or

1 examinations of high-risk dealers (as that term is
2 used in clause (ii) of section 923(g)(1)(B) of title
3 18, United States Code, as added by section 11 of
4 this Act) and non-high-risk dealers;

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

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

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

17 (B) inspections or examinations of non-
18 high-risk dealers (as described in paragraph
19 (1));

20 (C) security inspections (as described in
21 paragraph (2)); and

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

24 (4) an analysis of the most frequently cited vio-
25 lations and corrective actions or penalties imposed in

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

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

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

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

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

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

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

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

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