

118TH CONGRESS
1ST SESSION

H. R. 1478

To modernize the business of selling firearms.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2023

Ms. KELLY of Illinois (for herself, Mr. CICILLINE, Ms. LEE of California, Mr. MORELLE, Mr. PANETTA, Mr. PASCRELL, Mr. AUCHINCLOSS, Mr. BLUMENAUER, Mr. BOWMAN, Mr. BOYLE of Pennsylvania, Mr. CARSON, Mr. CASTEN, Ms. CASTOR of Florida, Mrs. CHERFILUS-McCORMICK, Ms. CROCKETT, Mr. CROW, Mr. DAVIS of Illinois, Mr. DESAULNIER, Mr. ESPAILLAT, Mr. FROST, Mr. IVEY, Mr. MOULTON, Ms. NORTON, Mr. PAYNE, Ms. PLASKETT, Mr. QUIGLEY, Mrs. RAMIREZ, Mr. RASKIN, Ms. SÁNCHEZ, Ms. SCANLON, Ms. SCHOLTEN, Mr. SWALWELL, Ms. TITUS, Ms. TLAIB, Ms. TOKUDA, Mrs. WATSON COLEMAN, Ms. WILSON of Florida, Ms. MCCOLLUM, Mr. VARGAS, and Mr. TONKO) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To modernize the business of selling firearms.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Firearm Li-
5 censee Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) A growing body of evidence demonstrates
2 that gun dealers' sales practices affect the prob-
3 ability of guns getting to criminals and that policies
4 designed to hold gun sellers accountable can curtail
5 the diversion of guns to criminals.

6 (2) Federal laws governing firearm dealers have
7 not been updated in over 30 years, contain safe-
8 guards that protect dealers who engage in illegal
9 practices from adverse enforcement action, frustrate
10 law enforcement efforts to curb gun trafficking and
11 violence and are, thus, inadequate to meet the reali-
12 ties of the twenty-first century.

13 (3) The Tiahrt Amendments, for one, severely
14 limit the authority of the Bureau of Alcohol, To-
15 bacco, Firearms and Explosives (ATF) to disclose
16 crime gun trace data to the public, prevent the col-
17 lection of valuable information, and the establish-
18 ment of effective policies to prevent illegal guns from
19 being used in crimes and impede enforcement of the
20 gun laws by requiring most background check
21 records to be destroyed within 24 hours, and by bar-
22 ring the Government from requiring annual inven-
23 tory audits by owners of gun shops. Repealing the
24 Tiahrt Amendments would support law enforcement
25 efforts and give the public vital information needed

1 to craft the most effective policies against illegal
2 guns.

3 (4) Additionally, Federal law imposes no re-
4 quirements that dealers physically secure their high-
5 ly valuable and lethal inventory. The number of gun
6 thefts from licensed gun dealers has increased more
7 than the number from any other source. Between
8 2013 and 2017, the number of firearms stolen in
9 gun-dealer burglaries more than doubled and the
10 number of firearms stolen in gun-dealer robberies
11 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 the transaction violates the terms of service of
23 the website or mobile application and the person has made
24 a good faith effort to enforce the terms of service by, at

1 a minimum, auditing firearms transactions on a quarterly
2 basis to ensure compliance with this chapter.

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

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

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

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

23 “(B) The term ‘receiver’ means the part of a rifle,
24 shotgun, or projectile weapon other than a handgun, or
25 variants thereof, that provides housing or a structure for

1 the primary component designed to block or seal the
2 breech prior to initiation of the firing sequence (such as
3 a bolt, breechblock, or the equivalent), even if pins or other
4 attachments are required to connect such component to
5 the housing or structure.

6 “(C) For purposes of this paragraph, the terms ‘vari-
7 ant’ and ‘variants thereof’ mean a weapon utilizing a simi-
8 lar frame or receiver design irrespective of new or different
9 model designations or configurations, characteristics, fea-
10 tures, components, accessories, or attachments. For exam-
11 ple, an AK-type firearm with a short stock and a pistol
12 grip is a pistol variant of an AK-type rifle, an AR-type
13 firearm with a short stock and a pistol grip is a pistol
14 variant of an AR-type rifle, and a revolving cylinder shot-
15 gun is a shotgun variant of a revolver.”.

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

17 Section 922 of title 18, United States Code, is
18 amended by striking subsection (s).

19 **SEC. 5. PHYSICAL SECURITY OF DEALER 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 by striking the
23 period at the end and inserting “, and the applicant
24 submits with the application a security plan that de-
25 scribes how the applicant will secure, in accordance

1 with the regulations issued under section 926(d), the
2 premises from which the applicant will conduct busi-
3 ness under the license (including in the event of a
4 natural disaster or other emergency), and the appli-
5 cant certifies that, if issued such a license, the appli-
6 cant will comply with the plan; and”.

7 (2) WRITTEN APPROVAL REQUIRED BEFORE LI-
8 CENSE RENEWAL.—Section 923(d)(1) of such title is
9 amended—

10 (A) in subparagraph (F)(iii), by striking

11 “and” after the semicolon; and

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

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

15 “(i) the license is not suspended;

16 “(ii) the applicant has not had a license
17 issued under this chapter revoked; and

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

22 (3) APPLICABILITY.—A person who, on the
23 date of the enactment of this Act, is a licensed deal-
24 er (as defined in section 921(a)(11) of title 18,
25 United States Code) and whose license to deal in

1 firearms, issued under chapter 44 of such title, will
2 not expire before the end of the 1-year period that
3 begins with the date regulations are prescribed
4 under section 926(d) of such title, shall submit to
5 the Attorney General a plan of the type described in
6 section 923(d)(1)(G) of such title not later than the
7 end of that period. Any plan so submitted shall be
8 considered to be submitted pursuant to such section
9 923(d)(1)(G).

10 (b) ANNUAL SECURITY PLAN COMPLIANCE CERTIFI-
11 CATION REQUIREMENT.—

12 (1) IN GENERAL.—Section 923 of such title is
13 amended by adding at the end the following:

14 “(m)(1) Each licensed manufacturer, licensed im-
15 porter, and licensed dealer shall annually certify to the At-
16 torney General that each premises from which the licensee
17 conducts business subject to license under this chapter is
18 in compliance with the regulations prescribed under sec-
19 tion 926(d), and include with the certification the results
20 of a reconciliation of the resale firearms then in the busi-
21 ness inventory of the licensee against the resale firearms
22 in the business inventory of the licensee at the time of
23 the most recent prior certification (if any) under this para-
24 graph, and all dispositions and acquisitions of resale fire-

1 arms in the year covered by the certification, identifying
2 and reporting any missing firearm.

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

7 (2) APPLICABILITY.—The amendment made by
8 paragraph (1) of this subsection shall not apply to
9 a person who, on the date of the enactment of this
10 Act, is a licensee referred to in section 923(m) of
11 title 18, United States Code, until the end of the 1-
12 year period that begins with the date the person
13 complies with subsection (a)(2) of this section.

14 (c) REGULATIONS.—

15 (1) IN GENERAL.—Section 926 of such title is
16 amended by adding at the end the following:

17 “(d) The Attorney General shall prescribe such regu-
18 lations as are necessary to ensure that any premises at
19 which a licensee referred to in section 923(m) conducts
20 business is secure from theft, which shall include requir-
21 ing—

22 “(1) compliance with the security plan sub-
23 mitted by the licensee pursuant to section
24 923(d)(1)(G);

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

3 “(3) security systems, video monitoring, and
4 antitheft alarms;

5 “(4) security gates, strong locks, and site hard-
6 ening;

7 “(5) concrete bollards and other access controls,
8 if necessary; and

9 “(6) the use of any other security-enhancing
10 features appropriate for the licensee’s specific cir-
11 cumstances.”.

12 (2) APPLICABILITY.—The regulations pre-
13 scribed under section 926(d)(1) of such title shall
14 not apply to a person who, on the date of the enact-
15 ment of this Act, is a licensee referred to in section
16 923(m) of such title, until the earlier of—

17 (A) the date the person complies with sub-
18 section (b)(2) of this section; or

19 (B) the end of the 1-year period that be-
20 gins with the date regulations are prescribed
21 under section 926(d) of such title.

22 **SEC. 6. BUSINESS INVENTORY FIREARMS.**

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

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

3 (1) by striking the 2nd sentence and inserting
4 the following: “Nothing in this chapter shall be con-
5 strued to prohibit a licensed manufacturer, licensed
6 importer, or licensed dealer from maintaining a per-
7 sonal collection of firearms.”;

8 (2) by striking the 3rd sentence; and

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

12 (b) LICENSEE FIREARMS INVENTORY.—Section
13 923(g) of such title is amended by adding at the end the
14 following:

15 “(8) Each licensee shall conduct a quarterly physical
16 check of the firearms inventory of the business of the li-
17 censee licensed under this chapter and report any lost, sto-
18 len, or unaccounted for firearm to the Attorney General
19 and appropriate local authorities in accordance with regu-
20 lations which shall be prescribed by the Attorney General
21 and shall require, at a minimum, the recording of the date
22 of receipt of the firearm, the name, address, and license
23 number, if applicable, of the person from whom the fire-
24 arm was received, the name of the manufacturer and, if
25 applicable, importer of the firearm, the model, serial num-

1 ber, type, and caliber or gauge of the firearm, and the
2 date of the sale or other disposition of the firearm. This
3 chapter shall not be interpreted to prohibit the Attorney
4 General from, at any time, requiring the regular or one-
5 time submission of the inventory records of a licensee to
6 ensure that the licensee is in compliance with this chap-
7 ter.”.

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

11 (1) The 5th proviso under the heading “Bureau
12 of Alcohol, Tobacco, Firearms and Explosives—Sala-
13 ries and Expenses” in title II of division B of the
14 Consolidated and Further Continuing Appropria-
15 tions Act, 2013 (18 U.S.C. 923 note; Public Law
16 113–6; 127 Stat. 248) is amended by striking “and
17 any fiscal year thereafter”.

18 (2) The matter under the heading “Bureau of
19 Alcohol, Tobacco, Firearms and Explosives—Sala-
20 ries and Expenses” in title I of division B of the
21 Consolidated and Further Continuing Appropria-
22 tions Act, 2012 (18 U.S.C. 923 note; Public Law
23 112–55; 125 Stat. 609–610) is amended by striking
24 the 7th proviso.

1 (3) The matter under the heading “Bureau of
2 Alcohol, Tobacco, Firearms and Explosives—Sala-
3 ries and Expenses” in title II of Division B of the
4 Consolidated Appropriations Act of 2010 (18 U.S.C.
5 923 note; Public Law 111–117; 123 Stat. 3128) is
6 amended by striking “or any other Act” in the 7th
7 proviso.

8 (4) The matter under the heading “Bureau of
9 Alcohol, Tobacco, Firearms and Explosives—Sala-
10 ries and Expenses” in title II of Division B of the
11 Omnibus Appropriations Act of 2009 (18 U.S.C.
12 923 note; Public Law 111–8; 123 Stat. 574) is
13 amended by striking “or any other Act” in the 7th
14 proviso.

15 (5) The matter under the heading “Bureau of
16 Alcohol, Tobacco, Firearms and Explosives—Sala-
17 ries and Expenses” in title II of Division B of the
18 Consolidated Appropriations Act of 2008 (18 U.S.C.
19 923 note; Public Law 110–161; 121 Stat. 1903) is
20 amended by striking “or any other Act” in the 7th
21 proviso.

22 (6) The matter under the heading “Bureau of
23 Alcohol, Tobacco, Firearms and Explosives—Sala-
24 ries and Expenses” in title I of the Science, State,
25 Justice, Commerce And Related Agencies Appropria-

1 tions Act of 2006 (18 U.S.C. 923 note; Public Law
2 109–108; 119 Stat. 2295) is amended by striking
3 “or any other Act” in the 7th proviso.

4 (7) The matter under the heading “Bureau of
5 Alcohol, Tobacco, Firearms and Explosives—Sala-
6 ries and Expenses” in title I of Division B of the
7 Consolidated and Further Continuing Appropria-
8 tions Act, 2005 (18 U.S.C. 923 note; Public Law
9 108–447; 118 Stat. 2859–2860) is amended by
10 striking “or any other Act” in the 7th proviso.

11 (8) The matter under the heading “Bureau of
12 Alcohol, Tobacco, Firearms and Explosives—Sala-
13 ries and Expenses” in title I of Division B of the
14 Consolidated and Further Continuing Appropria-
15 tions Act, 2004 (18 U.S.C. 923 note; Public Law
16 108–199; 1185 Stat. 53) is amended by striking “or
17 any other Act” in the 7th proviso.

18 **SEC. 7. ELECTRONIC RECORDS.**

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

21 (1) in paragraph (1)(A)—

22 (A) in the 1st sentence, by inserting “, ex-
23 cept that, notwithstanding any other provision
24 of law, as of the effective date of the Federal
25 Firearm Licensee Act, records prepared by li-

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

8 (B) by striking the 2nd sentence;

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

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

13 (b) RECORDS DATABASES.—Section 923(g) of such
14 title is further amended by adding at the end the fol-
15 lowing:

16 “(9)(A) Within 3 years after the date of enactment
17 of this paragraph, the National Tracing Center of the Bu-
18 reau of Alcohol, Tobacco, Firearms and Explosives shall
19 establish and maintain electronic, searchable databases of
20 all records regarding the importation, production, ship-
21 ment, receipt, sale, or other disposition of firearms re-
22 quired to be submitted by licensees to the Attorney Gen-
23 eral under this chapter.

24 “(B) Each licensee under this chapter may provide
25 the National Tracing Center with electronic access, con-

1 sistent with the requirements of this paragraph, to all
2 records within the possession of the licensee that are re-
3 quired to be kept under this chapter.

4 “(C) The National Tracing Center—

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

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

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

18 “(E) The databases established under this para-
19 graph—

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

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

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

8 (c) VIDEO RECORDINGS OF SALES AND TRANS-
9 FERS.—Section 923(g) of such title is further amended
10 by adding to the end the following:

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

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

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

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

1 (d) INCREASED PENALTIES FOR LICENSEE VIOLA-
2 TIONS RELATING TO ACQUISITION AND DISPOSITION
3 RECORDS.—Section 924(a)(3) of such title is amended—

4 (1) in the matter following subparagraph (B),
5 by striking “one year” and inserting “5 years”; and

6 (2) by adding at the end the following: “If the
7 conduct described in subparagraph (A) or (B) is in
8 relation to an offense under subsection (a)(6) or (d)
9 of section 922, the licensed dealer, licensed importer,
10 licensed manufacturer, licensed collector, or licensed
11 facilitator shall be fined under this title, imprisoned
12 not more than 10 years, or both.”.

13 (e) ELIMINATION OF LIMITATION ON CENTRALIZING
14 RECORDS.—Section 926(a) of such title is amended in the
15 matter following paragraph (3) by striking “records re-
16 quired to be maintained under this chapter or any portion
17 of the contents of such records, be recorded at or trans-
18 ferred to a facility owned, managed, or controlled by the
19 United States or any State or any political subdivision
20 thereof, nor that.”.

21 (f) ELECTRONIC RECORDKEEPING ADOPTION AND
22 IMPLEMENTATION.—Section 926 of such title is further
23 amended by adding at the end the following:

24 “(e) The Attorney General—

1 “(1) shall facilitate and incentivize licensee con-
2 version to, and adoption of, electronic recordkeeping
3 solutions that enable electronic completion and sub-
4 mission to the Attorney General of all records re-
5 quired to be maintained under this chapter;

6 “(2) shall facilitate digital capture of dealer
7 paper records, the integration and indexing of data
8 onto a platform accessible by law enforcement au-
9 thorities for purposes of investigating a violent crime
10 or crime gun trace;

11 “(3) shall facilitate remote access to electronic
12 records of licensed dealers by law enforcement au-
13 thorities for purposes of investigating a violent crime
14 or crime gun trace, and dealer access to only their
15 own records; and

16 “(4) shall 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)(B)(ii) of title 18, United States
21 Code, is amended by adding at the end, before the semi-
22 colon, the following: “, if the licensee notifies the Attorney
23 General that such firearm has been transferred to such
24 person no later than the close of business on the day that
25 the firearm is transferred”.

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

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

6 (1) by striking “pistols, or revolvers, or any
7 combination of pistols and revolvers” and inserting
8 “pistols, revolvers, semiautomatic rifles or shotguns,
9 or rifles or shotguns capable of accepting a high ca-
10 pacity magazine, or any combination of such weap-
11 ons”; and

12 (2) by inserting after the 1st sentence the fol-
13 lowing: “In the preceding sentence, the term ‘high
14 capacity magazine’ means a magazine capable of
15 holding more than 10 rounds of ammunition, and in-
16 cludes magazines that may be readily converted to
17 hold more than 10 rounds of ammunition.”.

18 (b) REQUIREMENT TO RETAIN INSTANT CRIMINAL
19 BACKGROUND CHECK RECORDS FOR 90 BUSINESS
20 DAYS.—Section 922(t)(2)(C) of such title is amended—

21 (1) by striking “destroy” and inserting “retain
22 for 90 business days”;

23 (2) by striking “(other than the identifying
24 number and the date the number was assigned)”;
25 and

1 (3) by inserting “solely for purposes related to
2 discovering misuse or avoidance of the national in-
3 stant criminal background check system or ensuring
4 its proper operation” before the period at the end.

5 (c) ATTORNEY GENERAL REPORTS OF MULTIPLE
6 SALES BY NON-LICENSEES.—Section 923(g)(3) of such
7 title is amended—

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

10 “(B) The Attorney General shall prepare a report of
11 multiple dispositions of firearms to persons not licensed
12 under this chapter, which shall include the names and
13 identifying information of transferees appearing in the
14 records retained pursuant to section 922(t)(2)(C) on 2 or
15 more occasions in any period of 5 consecutive business
16 days. The report shall be prepared on a form substantially
17 similar to the form created pursuant to subparagraph (A)
18 and include the names and addresses of the licensees who
19 requested the background checks pursuant to subsection
20 (t). The Attorney General shall forward the report to the
21 office designated pursuant to subparagraph (A) and to the
22 departments of State police or State law enforcement
23 agencies of the State or local law enforcement agencies
24 of the local jurisdictions in which the sales or other dis-
25 positions took place, not later than the close of business

1 on the date of the most recent such sale or other disposi-
2 tion.”; and

3 (2) by redesignating subparagraph (B) as sub-
4 paragraph (C).

5 (d) RECORDS RETENTION TO INVESTIGATE CRIME
6 GUNS.—Section 923(g)(3)(C) of such title as redesignated
7 by subsection (c)(2) of this section, is further amended—

8 (1) by inserting “a firearm involved in a crime
9 or” after “Except in the case of forms and contents
10 thereof regarding”;

11 (2) by striking “, and shall destroy each such
12 form and any record of the contents thereof no more
13 than 20 days from the date such form is received”
14 and inserting “and shall retain each such form and
15 any record of the contents of the form for 180 days
16 after the date the form is received”; and

17 (3) by striking the 2nd sentence.

18 **SEC. 10. SAFETY DEVICES AND WARNINGS TO PUR-**
19 **CHASERS.**

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

22 (1) by inserting “AND WARNINGS TO PUR-
23 CHASERS” after “SECURE GUN STORAGE OR SAFE-
24 TY DEVICE”;

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

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

4 “(4) WARNINGS TO PURCHASERS.—All licensed
5 dealers operating a physical retail location shall post
6 conspicuously within the licensed premises all warn-
7 ings required to be provided to firearms purchasers
8 under applicable State and local law. The Attorney
9 General shall develop materials regarding suicide
10 prevention, securing firearms from loss, theft, or ac-
11 cess by a minor or prohibited person, and straw pur-
12 chasing, and provide the materials to licensed deal-
13 ers who shall disseminate the materials on transfer
14 of a firearm to a person not licensed under this
15 chapter.”.

16 **SEC. 11. INSPECTIONS.**

17 (a) MANDATED ANNUAL INSPECTIONS OF HIGH
18 RISK LICENSED DEALERS, TRIENNIAL INSPECTIONS OF
19 OTHER LICENSED DEALERS.—Section 923(g)(1)(B) of
20 such title is amended by adding after and below the end
21 the following flush sentence: “Not less frequently than an-
22 nually, the Attorney General shall inspect or examine the
23 inventory, records, and business premises of each licensed
24 dealer whom the Attorney General determines to be a high
25 risk dealer (based on considerations that shall include

1 dealers who have reported a lost or stolen firearm within
2 the preceding 5 years, were issued a report of violation,
3 received a warning letter, or been the subject of a warning
4 conference, or, within the preceding year, to whom were
5 traced multiple firearms used in a crime under Federal,
6 State, or local law within 3 years after sale by the dealer)
7 and may appoint a special master to ensure that such
8 dealers comply with all applicable firearm sales laws. The
9 special master may use in-store observation, monitor
10 records, conduct random and repeated sales integrity
11 tests, and design and offer instructional programs pro-
12 viding best practices sales training to all employees in-
13 volved in firearms sales until the special master certifies
14 that the dealer has complied with all applicable firearms
15 sales laws for 3 consecutive years. Not less frequently than
16 every 5 years, the Attorney General shall inspect or exam-
17 ine the inventory, records, and business premises of each
18 other licensed dealer. Within 6 months after such an in-
19 spection reveals a violation of this section or any regula-
20 tion prescribed under this chapter, and within 6 months
21 after a security inspection conducted under paragraph
22 (6)(B)(i) of this subsection, the Attorney General shall
23 conduct an inspection to determine whether the violation
24 identified in the preceding inspection has been cured.”.

1 (b) ELIMINATION OF LIMIT ON INSPECTION OF LI-
2 CENSEE RECORDS.—Section 923(g)(1)(B)(ii) of such title
3 is amended—

4 (1) by striking “—” and all that follows
5 through “(II)”;

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

9 (c) MANDATED SECURITY INSPECTION OF DEALERS
10 REPORTING LOST OR STOLEN FIREARMS.—Section
11 923(g)(6) of such title is amended—

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

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

14 “(B)(i) After the Attorney General receives such a
15 report from a licensed dealer of the theft of a firearm,
16 the Attorney General shall conduct an independent inspec-
17 tion of the security of the premises at which the theft oc-
18 curred, which shall include an inspection of the measures
19 taken to implement the security plan submitted by the li-
20 censed dealer pursuant to subsection (d)(1)(G).

21 “(ii) On completion of the security inspection, the At-
22 torney General shall provide the licensed 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 such title is amend-
5 ed by striking the 6th sentence.

6 **SEC. 12. AUTHORITY WITH REGARDS TO LICENSE**
7 **ISSUANCE 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 “Attorney Gen-
14 eral 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—

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

21 “(B) that 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 first sentence, by inserting “and
2 renewals thereof” after “this section”;

3 (B) in the matter preceding subparagraph
4 (A), by inserting “, subject to subsection
5 (e)(2),” after “shall”;

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

9 (D) in subparagraph (F)—

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

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

14 “(iv) all employees employed in the
15 business will be at least the minimum age
16 at which individuals may possess a firearm
17 in the locality in which the business will be
18 conducted and are not prohibited from
19 being transferred a firearm, or trans-
20 porting, shipping, or receiving firearms or
21 ammunition in interstate or foreign com-
22 merce by subsection (d), (g), or (n) of sec-
23 tion 922 (as applicable) or by State, local,
24 or Tribal law;”.

1 (b) AUTHORITY TO REVOKE OR SUSPEND LI-
2 CENSES.—Section 923 of such title is amended—

3 (1) in subsection (e), by striking “revoke” and
4 inserting “revoke or suspend”; and

5 (2) in subsection (f)—

6 (A) in paragraph (1)—

7 (i) by striking all instances of “re-
8 voked” and inserting “revoked or sus-
9 pended”; and

10 (ii) by striking all instances of “rev-
11 ocation” and inserting “revocation or sus-
12 pension”; and

13 (B) in paragraph (2)—

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

16 (ii) by striking “or revocation” and
17 inserting “, revocation, or suspension”;
18 and

19 (C) in paragraph (3)—

20 (i) by striking “or revoke” and insert-
21 ing “or revoke or suspend”;

22 (ii) by striking “or revocation” and
23 inserting “, revocation, or suspension”;
24 and

1 (iii) by striking “to revoke” and in-
2 serting “to revoke or suspend”.

3 (c) **AUTHORITY TO PROMULGATE RULES.**—Section
4 926(a) of such title is amended by striking “only”.

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

8 (1) The matter under the heading “Bureau of
9 Alcohol, Tobacco, Firearms and Explosives—Sala-
10 ries and Expenses” in title I of division B of the
11 Consolidated and Further Continuing Appropria-
12 tions Act, 2012 (18 U.S.C. 923 note; Public Law
13 112–55; 125 Stat. 609–610) is amended by striking
14 the 9th proviso.

15 (2) The matter under the heading “Bureau of
16 Alcohol, Tobacco, Firearms and Explosives—Sala-
17 ries and Expenses” in title II of division B of the
18 Consolidated and Further Continuing Appropria-
19 tions Act, 2013 (18 U.S.C. 923 note; Public Law
20 113–6; 127 Stat. 247–248) is amended by striking
21 the 6th proviso.

22 **SEC. 13. INCREASED LICENSING FEES.**

23 (a) **FEES FOR LICENSED IMPORTERS, MANUFACTUR-**
24 **ERS, AND DEALERS IN FIREARMS AND IMPORTERS AND**

1 MANUFACTURERS OF AMMUNITION.—Section 923(a) of
2 title 18, United States Code, is amended—

3 (1) in paragraph (1)—

4 (A) in subparagraph (A), by striking
5 “\$1,000” and inserting “\$2,000”;

6 (B) in subparagraph (B), by striking
7 “\$50” and inserting “\$100”; and

8 (C) in subparagraph (C), by striking
9 “\$10” and inserting “\$20”;

10 (2) in paragraph (2)—

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

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

15 (3) in paragraph (3)—

16 (A) in subparagraph (A), by striking
17 “\$1,000” and inserting “\$2,000”; and

18 (B) in subparagraph (B)—

19 (i) by striking “\$200” and inserting
20 “\$400”; and

21 (ii) by striking “\$90” and inserting
22 “\$180”.

23 (b) FEES FOR LICENSED COLLECTORS.—Section
24 923(b) of such title is amended by striking “\$10” and in-
25 serting “\$20”.

1 **SEC. 14. ELIMINATION OF OBLIGATORY STAY OF EFFEC-**
2 **TIVE DATE OF LICENSE REVOCATION.**

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

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

11 (a) IN GENERAL.—Section 925 of title 18, United
12 States Code, is amended by striking subsection (b) and
13 redesignating subsections (c) through (f) as subsections
14 (b) through (e), respectively.

15 (b) CONFORMING AMENDMENTS.—Section 922 of
16 such title is amended—

17 (1) in subsection (d), in the 2nd sentence, by
18 striking “licensed importer, licensed manufacturer,
19 licensed dealer, or licensed collector who pursuant to
20 subsection (b) of section 925 of this chapter is not
21 precluded from dealing in firearms or ammunition,
22 or to a”;

23 (2) in subsection (l), by striking “925(d) of this
24 chapter” and inserting “925(c)”; and

25 (3) in subsection (r), by striking “925(d)(3) of
26 this chapter” and inserting “925(c)(3)”.

1 **SEC. 16. ELIMINATION OF RELIEF WHILE FEDERAL DIS-**
2 **ABILITY RELIEF APPLICATION PENDING.**

3 Section 925(b) of title 18, United States Code, as so
4 redesignated by section 15(a) of this Act, is further
5 amended by striking the 4th sentence and inserting “This
6 subsection shall not be interpreted to prohibit the Attorney
7 General from, on a showing by a licensee of good cause,
8 permitting the licensee to continue operations while an ap-
9 plication for relief from disabilities is pending.”.

10 **SEC. 17. PRESUMPTION OF KNOWLEDGE OF STATE LAW IN**
11 **SALE OF LONG GUNS TO RESIDENTS OF AN-**
12 **OTHER STATE.**

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

16 **SEC. 18. INCREASED PENALTIES FOR KNOWING TRANSFER**
17 **OF FIREARM WITHOUT CONDUCTING A BACK-**
18 **GROUND CHECK.**

19 Section 922(t)(5) of title 18, United States Code, is
20 amended by inserting “in the case of the 1st violation and,
21 in the case of a subsequent violation, shall immediately
22 suspend or revoke any license issued to the licensee under
23 section 923 and impose on the licensee a civil fine equal
24 to \$20,000” before the period.

1 **SEC. 19. UNLAWFUL ACTS UPON INCURRING FEDERAL DIS-**
2 **ABILITY OR NOTICE OF LICENSE SUSPEN-**
3 **SION, REVOCATION OR DENIED RENEWAL.**

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

7 “(aa)(1) It shall be unlawful for a licensed importer,
8 licensed manufacturer, licensed dealer, licensed collector,
9 or licensed facilitator who incurs a disability imposed by
10 Federal laws with respect to the acquisition, receipt, trans-
11 fer, shipment, transportation, or possession of firearms or
12 ammunition during the term of a license issued under this
13 chapter or while an application to renew such a license
14 is pending, or who has been notified by the Attorney Gen-
15 eral that a license issued to the licensee under this chapter
16 has been suspended or revoked or that an application of
17 the licensee to renew such a license has been denied, to—

18 “(A) transfer a business inventory firearm—

19 “(i) into the personal collection of the li-
20 censee; or

21 “(ii) to any person other than a licensee
22 under this chapter or a Federal, State, or local
23 law enforcement agency; or

24 “(B) receive a business inventory firearm.

25 “(2) Upon a showing by a licensee of good cause, the
26 Attorney General may issue a written waiver of paragraph

1 (1) if the licensee authorizes the Attorney General to in-
2 spect the records and inventory of the licensee at any time
3 to ensure that the licensee is in compliance with this chap-
4 ter.”.

5 (b) PENALTIES.—Section 924(a) of such title is
6 amended by adding at the end the following:

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

10 (c) NOTICE REQUIREMENT.—Section 923(f)(1) of
11 such title is amended in the 1st sentence by inserting “and
12 setting forth the provisions of Federal law and regulation
13 that prohibit a person not licensed under this chapter from
14 engaging in the business of dealing in firearms and the
15 restrictions set forth in section 922(aa)” before the period.

16 **SEC. 20. REGULATION OF FACILITATORS OF FIREARM**
17 **TRANSFERS.**

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

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

1 (b) COMPLETED FACILITATED SALES.—Section 923
2 of such title is further amended by adding at the end the
3 following:

4 “(n)(1) Each licensed facilitator shall—

5 “(A) inform all prospective sellers using its
6 commercial marketplace that any offer for firearm
7 sales, purchases, or other transfers made using its
8 commercial marketplace may be completed only with
9 the assistance of a licensed importer, licensed manu-
10 facturer, or licensed dealer, who must take posses-
11 sion of the firearm directly from the transferor for
12 the purpose of complying with section 922(t);

13 “(B) require all prospective firearm sellers to so
14 complete all firearms sales, purchases, or other
15 transfers; and

16 “(C) maintain records of any such sale, pur-
17 chase, or other transfer which shall include the date
18 of the offer, the name of the offeror, and the name
19 and the licensee number of the licensee that will
20 take possession of the firearm directly from the
21 transferor, and the model, serial number, type, and
22 caliber or gauge of the firearm involved.

23 “(2) A licensed facilitator may require, as a condition
24 of using its commercial marketplace, that, before offering
25 a firearm for sale, a prospective seller identify a licensed

1 dealer that will take possession of the firearm and com-
2 plete the sale.

3 “(3) On taking possession of a firearm sold, pur-
4 chased, or otherwise transferred in such a commercial
5 marketplace, a licensee shall comply with all requirements
6 of this chapter as if the licensee were transferring the fire-
7 arm from the inventory of the licensee to the unlicensed
8 transferee.”.

9 (c) LIABILITY.—Section 924(h) of such title is
10 amended—

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

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

13 “(2) Whoever, having accepted an offer to transfer
14 ownership of a firearm using a commercial marketplace
15 of a licensed facilitator in order to complete a firearm
16 transaction as described in paragraph (1) of this sub-
17 section, knowingly transfers the firearm to a person not
18 licensed under this chapter without a licensed importer,
19 licensed manufacturer, or licensed dealer first taking pos-
20 session of the firearm for the purpose of complying with
21 section 922(t), shall be fined under this title, imprisoned
22 not more than 1 year, or both, except that if transfer to,
23 or receipt of the firearm by the transferee violates sub-
24 section (d), (g), or (n) of section 922, or the firearm is
25 used to commit a crime of violence (as defined in section

1 (c)(3) of this section) or drug trafficking crime (as defined
2 in subsection (c)(2) of this section), the transferor shall
3 be fined under this title, imprisoned not more than 10
4 years, or both.”.

5 (d) CONFORMING AMENDMENTS.—

6 (1) Section 922 of such title is amended—

7 (A) in subsection (a)(1)—

8 (i) by striking “or” at the end of sub-
9 paragraph (A);

10 (ii) by adding “or” at the end of sub-
11 paragraph (B); and

12 (iii) by adding at the end the fol-
13 lowing:

14 “(C) except a licensed facilitator, to engage
15 in the business of hosting a commercial market-
16 place in which offers for firearms sales, pur-
17 chases, or other transfers are allowed to be
18 made;”;

19 (B) in subsection (a)(6)—

20 (i) by striking “or licensed collector”
21 and inserting “licensed collector, or li-
22 censed facilitator”; and

23 (ii) by striking “or collector” and in-
24 serting “collector, or facilitator”; and

1 (C) in subsection (m), by striking “or li-
2 censed collector” and inserting “licensed col-
3 lector, or licensed facilitator”.

4 (2) Section 923 of such title is amended—

5 (A) in the 1st sentence of subsection (c),
6 by inserting “or facilitate firearm sales, pur-
7 chases or other transfers” before “during the
8 period stated in the license”;

9 (B) in subsection (g)(1)(A)—

10 (i) in the first sentence, by striking
11 “and licensed dealer” and inserting “li-
12 censed dealer, and licensed facilitator”;
13 and

14 (ii) in the last sentence, by inserting
15 “licensed facilitator,” before “or any li-
16 censed importer”; and

17 (C) in subsection (j), by striking “or li-
18 censed dealer” the 1st place it appears and in-
19 serting “licensed dealer, or licensed facilitator”.

20 (3) Section 924(a)(3) of such title is amended
21 by striking “or licensed collector” and inserting “li-
22 censed collector, or licensed facilitator”.

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

24 (a) REQUIREMENTS.—

1 (1) BACKGROUND CHECKS REQUIRED BEFORE
2 ISSUANCE OR RENEWAL OF DEALERS LICENSE.—
3 Section 923(c) of title 18, United States Code, is
4 amended by inserting after the 1st sentence the fol-
5 lowing: “Notwithstanding the preceding sentence,
6 the Attorney General may not issue or renew a li-
7 cense unless the Attorney General has contacted the
8 national instant criminal background check system
9 established under section 103 of the Brady Handgun
10 Violence Prevention Act to determine whether it
11 would be unlawful for the applicant or any employee
12 of the applicant identified by the applicant on the
13 application as trusted with the possession or receipt
14 of any firearm, to be transferred or receive a fire-
15 arm, and the system has notified the Attorney Gen-
16 eral that the information available to the system
17 does not demonstrate that the transfer to or receipt
18 of a firearm by the applicant or any such employee
19 would violate subsection (d), (g), or (n) of section
20 922 (as applicable) or by State, local, or Tribal law
21 where the business premises of the applicant subject
22 to the license is located.”.

23 (2) BACKGROUND CHECK REQUIRED BEFORE
24 FIREARM POSSESSION BY DEALER EMPLOYEE.—Sec-

1 tion 923(g) of such title is further amended by add-
2 ing at the end the following:

3 “(11) A licensed dealer shall 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 to determine whether it
14 would be unlawful for the individual to receive a fire-
15 arm; and

16 “(C) the system has notified the licensee that
17 the information available to the system does not
18 demonstrate that the receipt of a firearm by the in-
19 dividual would violate subsection (d), (g), or (n) of
20 section 922 (as applicable) or by State, local, or
21 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 such
2 title 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) In the case of a person who the Attorney Gen-
14 eral has found to be engaged in conduct that constitutes
15 a violation of section 922(a)(1)(A), the Attorney General
16 shall transmit to the persona written notice specifying the
17 violation, which shall include a copy of the provision of
18 law violated, and impose a civil money penalty in an
19 amount that is not less than \$2,500 and not more than
20 \$20,000.”.

21 (b) TIERED PENALTIES FOR REPEATED VIOLATIONS
22 OF REGULATIONS BY LICENSED DEALERS.—Section 924
23 of such title is amended by adding at the end the fol-
24 lowing:

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

3 “(1) In the case of a licensed dealer who the
4 Attorney General has found to be in violation of a
5 regulation prescribed under section 926, the Attor-
6 ney General 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 1st 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 provision
15 of law or regulation violated and a plan for
16 how to cure the violation;

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

23 “(iii) in the case of the 3rd such viola-
24 tion by the licensed dealer, if not preceded
25 by a violation to which subparagraph (B)

1 applies, suspend the license to deal in fire-
2 arms issued to the licensed dealer under
3 this chapter until the violation ceases;

4 “(iv) in the case of the 4th such viola-
5 tion by the licensed dealer, whether or not
6 preceded by a violation to which subpara-
7 graph (B) applies, revoke the license; or

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

16 “(B) if the violation is a result of such
17 gross negligence—

18 “(i) in the case of the 1st such viola-
19 tion by the licensed dealer, impose a civil
20 money penalty in an amount that is not
21 less than \$2,500 and not more than
22 \$20,000;

23 “(ii) in the case of the 2nd such viola-
24 tion by the licensed dealer—

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

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) revoke the license; or

8 “(iii) in the case of the 3rd or subse-
9 quent such violation by the licensed dealer,
10 apply the penalty authorized under this
11 subsection that is 2 levels greater in sever-
12 ity than the level of severity of the penalty
13 most recently applied to the licensed dealer
14 under this subsection.

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

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) The matter under the heading “Bureau of
9 Alcohol, Tobacco, Firearms and Explosives—Sala-
10 ries and Expenses” in title I of division B of the
11 Consolidated and Further Continuing Appropria-
12 tions Act, 2012 (18 U.S.C. 923 note; Public Law
13 112–55; 125 Stat. 609–610) is amended by striking
14 the 6th proviso.

15 (2) The 6th proviso under the heading “Bureau
16 of Alcohol, Tobacco, Firearms and Explosives—Sala-
17 ries and Expenses” in title II of division B of the
18 Consolidated Appropriations Act, 2010 (18 U.S.C.
19 923 note; Public Law 111–117; 123 Stat. 3128–
20 3129) is amended by striking “beginning in fiscal
21 year 2010 and thereafter” and inserting “in fiscal
22 year 2010”.

23 (3) The 6th proviso under the heading “Bureau
24 of Alcohol, Tobacco, Firearms and Explosives—Sala-
25 ries and Expenses” in title II of division B of the
26 Omnibus Appropriations Act, 2009 (18 U.S.C. 923

1 note; Public Law 111–8; 123 Stat. 574–576) is
2 amended by striking “beginning in fiscal year 2009
3 and thereafter” and inserting “in fiscal year 2009”.

4 (4) The 6th proviso under the heading “Bureau
5 of Alcohol, Tobacco, Firearms and Explosives—Sala-
6 ries and Expenses” in title II of division B of the
7 Consolidated Appropriations Act, 2008 (18 U.S.C.
8 923 note; Public Law 110–161; 121 Stat. 1903–
9 1904) is amended by striking “beginning in fiscal
10 year 2008 and thereafter” and inserting “in fiscal
11 year 2008”.

12 (5) The 6th proviso under the heading “Bureau
13 of Alcohol, Tobacco, Firearms and Explosives—Sala-
14 ries and Expenses” in title I of the Science, State,
15 Justice, Commerce, and Related Agencies Appro-
16 priations Act, 2006 (18 U.S.C. 923 note; Public
17 Law 109–108; 119 Stat. 2295–2296) is amended by
18 striking “with respect to any fiscal year”.

19 (6) The 6th proviso under the heading in title
20 I of division B of the Consolidated Appropriations
21 Act, 2005 (18 U.S.C. 923 note; Public Law 108–
22 447; 118 Stat. 2859–2860) is amended by striking
23 “with respect to any fiscal year”.

24 (7) Section 644 of title VI of division J of the
25 Consolidated Appropriations Resolution, 2003 (5

1 U.S.C. 552 note; Public Law 108–7; 117 Stat. 473–
2 474) is amended by striking “or any other Act with
3 respect to any fiscal year”.

4 (b) LIMITATIONS RELATING TO CONSOLIDATING AND
5 CENTRALIZING RECORDS.—The matter under the heading
6 “Bureau of Alcohol, Tobacco, Firearms and Explosives—
7 Salaries and Expenses” in title I of division B of the Con-
8 solidated and Further Continuing Appropriations Act,
9 2012 (18 U.S.C. 923 note; Public Law 112–55; 125 Stat.
10 609) is amended in the 1st proviso by striking “or here-
11 after”.

12 (c) REQUIREMENT TO DESTROY INSTANT CRIMINAL
13 BACKGROUND CHECK RECORDS WITHIN 24 HOURS.—
14 Section 511 of the Consolidated and Further Continuing
15 Appropriations Act, 2012 (18 U.S.C. 922 note; Public
16 Law 112–55; 125 Stat. 632) is amended—

17 (1) by striking “for—” and all that follows
18 through “(1)”; and

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

21 **SEC. 26. AUTHORITY TO HIRE ADDITIONAL INDUSTRY OP-**
22 **ERATION INVESTIGATORS FOR BATFE.**

23 The Attorney General may hire 650 Industry Oper-
24 ation Investigators for the Bureau of Alcohol, Tobacco,
25 Firearms and Explosives, to be distributed among the var-

1 ious field divisions to match the number and distribution
2 of persons licensed under chapter 44 of title 18, United
3 States Code, in addition to any personnel needed to carry
4 out this Act and any Industry Operation Investigators au-
5 thorized by other law.

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

7 Within 2 years after the date of the enactment of this
8 Act, the Attorney General shall submit to the Congress
9 and publish publicly on the website of the Department of
10 Justice a written report on the implementation of this Act
11 and the amendments made by this Act, including any
12 steps needed to complete the implementation, which shall
13 identify any additional resources that are required to con-
14 duct regular inspections under chapter 44 of title 18,
15 United States Code, and to ensure that this Act and the
16 amendments made by this Act are enforced against non-
17 compliant federally licensed firearms dealers in a timely
18 manner.

19 **SEC. 28. ANNUAL LICENSED DEALER INSPECTIONS REPORT**
20 **AND ANALYSIS.**

21 Within 2 years after the date of enactment of this
22 Act, and annually thereafter, the Attorney General shall
23 submit to the Congress and publish publicly on the website
24 of the Department of Justice, a written report which
25 states—

1 (1) the number of inspections conducted of
2 Type 01, 02, and 07 Federal firearm licensees (deal-
3 ers, pawnbrokers, and manufacturers) in the pre-
4 ceding 24 months, by each field division of the Bu-
5 reau of Alcohol, Tobacco, Firearms and Explosives
6 (in this section referred to as the “BATFE”), in-
7 cluding by the number of inspections of high risk
8 dealers and non-high risk dealers;

9 (2) the number of security inspections prompt-
10 ed by dealer reports of lost or stolen firearms, and
11 the number of follow-up inspections conducted 6
12 months after an inspection revealing a violation;

13 (3) the average time spent on high risk, non-
14 high risk, security, and follow up inspections; and

15 (4) an analysis of the most frequently cited vio-
16 lations and corrective actions or penalties imposed in
17 each instance, including—

18 (A) the number of licenses recommended
19 to be suspended or revoked;

20 (B) the number of licensees sent notices of
21 suspension or revocation;

22 (C) the number of hearings requested by
23 licensees on receipt of notice of suspension or
24 revocation;

1 (D) the number of suspension or revoca-
2 tion hearings initiated in a prior 12-month pe-
3 riod that remain ongoing during the 12-month
4 period covered by the report; and

5 (E) the decision ultimately rendered in
6 each such matter by the Director of the
7 BATFE.

8 **SEC. 29. DEADLINE FOR ISSUANCE OF FINAL REGULA-**
9 **TIONS.**

10 Within two years after the date of enactment of this
11 Act, the Attorney General shall prescribe, in final form,
12 all regulations required to carry out this Act and the
13 amendments made by this Act.

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