

117TH CONGRESS
1ST SESSION

H. R. 6225

To modernize the business of selling firearms.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 9, 2021

Ms. KELLY of Illinois (for herself, Mr. CICILLINE, Ms. LEE of California, Mr. PASCRELL, Mr. LANGEVIN, Mr. MFUME, Mr. MORELLE, and Mr. PANETTA) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To modernize the business of selling firearms.

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

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:

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

1 designed to hold gun sellers accountable can curtail
2 the diversion of guns to criminals.

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

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

1 (4) Additionally, Federal law imposes no re-
2 quirements that dealers physically secure their high-
3 ly valuable and lethal inventory. The number of gun
4 thefts from licensed gun dealers has increased more
5 than the number from any other source. Between
6 2013 and 2017, the number of firearms stolen in
7 gun-dealer burglaries more than doubled and the
8 number of firearms stolen in gun-dealer robberies
9 tripled.

10 **SEC. 3. DEFINITIONS.**

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

13 “(36) The term ‘facilitator’ means any person en-
14 gaged in the business of hosting a commercial marketplace
15 in which offers for firearm sales, purchases, or other
16 transfers are allowed to be made, except that such a per-
17 son shall not be considered to be a facilitator with respect
18 to any transaction that is made through the use of a
19 website or mobile application owned or operated by the
20 person if the transaction violates the terms of service of
21 the website or mobile application and the person has made
22 a good faith effort to enforce the terms of service by, at
23 a minimum, auditing firearms transactions on a quarterly
24 basis to ensure compliance with this chapter.

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

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

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

14 “(40)(A) The term ‘frame or receiver’—

15 “(i) means a part of a weapon that provides or
16 is intended to provide the housing or structure to
17 hold or integrate 1 or more fire control components,
18 even if pins or other attachments are required to
19 connect those components to the housing or struc-
20 ture; and

21 “(ii) includes a blank, casting, or machined
22 body, that requires modification (including machin-
23 ing, drilling, or molding) to be used as part of a
24 functional firearm, and that is designed and in-
25 tended to be used in the assembly of a functional

1 firearm, unless the blank, casting, or machined body
2 has had—

3 “(I) its size or external shape altered solely
4 to facilitate transportation or storage; or

5 “(II) solely its chemical composition al-
6 tered.

7 “(B) For purposes of subparagraph (A)(i), in the
8 case of a weapon with more than 1 part that provides the
9 housing or a structure designed to hold or integrate 1 or
10 more fire control components, each such part shall be con-
11 sidered a frame or receiver, unless the Attorney General
12 has provided otherwise by regulation with respect to the
13 specific make and model of weapon on or before January
14 1, 2022.

15 “(C) For purposes of this paragraph, the term ‘fire
16 control component’—

17 “(i) means a component necessary for a firearm
18 to initiate or complete the firing sequence; and

19 “(ii) includes a hammer, bolt, breechblock, cyl-
20 inder, trigger, mechanism, firing pin, striker, and
21 slide rails.”.

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

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

1 **SEC. 5. PHYSICAL SECURITY OF DEALER 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 by striking the
5 period at the end and inserting “, and the applicant
6 submits with the application a security plan that de-
7 scribes how the applicant will secure, in accordance
8 with the regulations issued under section 926(d), the
9 premises from which the applicant will conduct busi-
10 ness under the license (including in the event of a
11 natural disaster or other emergency), and the appli-
12 cant certifies that, if issued such a license, the appli-
13 cant will comply with the plan; and”.

14 (2) WRITTEN APPROVAL REQUIRED BEFORE LI-
15 CENSE RENEWAL.—Section 923(d)(1) of such title is
16 amended—

17 (A) in subparagraph (F)(iii), by striking
18 “and” after the semicolon; and

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

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

22 “(i) the license is not suspended;

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

25 “(iii) the Attorney General has inspected
26 the premises and provided written approval of

1 the security plan submitted by the applicant
2 under subparagraph (G).”.

3 (3) APPLICABILITY.—A person who, on the
4 date of the enactment of this Act, is a licensed deal-
5 er (as defined in section 921(a)(11) of title 18,
6 United States Code) and whose license to deal in
7 firearms, issued under chapter 44 of such title, will
8 not expire before the end of the 1-year period that
9 begins with the date regulations are prescribed
10 under section 926(d) of such title, shall submit to
11 the Attorney General a plan of the type described in
12 section 923(d)(1)(G) of such title not later than the
13 end of that period. Any plan so submitted shall be
14 considered to be submitted pursuant to such section
15 923(d)(1)(G).

16 (b) ANNUAL SECURITY PLAN COMPLIANCE CERTIFI-
17 CATION REQUIREMENT.—

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

20 “(m)(1) Each licensed manufacturer, licensed im-
21 porter, and licensed dealer shall annually certify to the At-
22 torney General that each premises from which the licensee
23 conducts business subject to license under this chapter is
24 in compliance with the regulations prescribed under sec-
25 tion 926(d), and include with the certification the results

1 of a reconciliation of the resale firearms then in the busi-
2 ness inventory of the licensee against the resale firearms
3 in the business inventory of the licensee at the time of
4 the most recent prior certification (if any) under this para-
5 graph, and all dispositions and acquisitions of resale fire-
6 arms in the year covered by the certification, identifying
7 and reporting any missing firearm.

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

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

19 (c) REGULATIONS.—

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

22 “(d) The Attorney General shall prescribe such regu-
23 lations as are necessary to ensure that any premises at
24 which a licensee referred to in section 923(m) conducts

1 business is secure from theft, which shall include requir-
2 ing—

3 “(1) compliance with the security plan sub-
4 mitted by the licensee pursuant to section
5 923(d)(1)(G);

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

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

10 “(4) security gates, strong locks, and site hard-
11 ening;

12 “(5) concrete bollards and other access controls,
13 if necessary; and

14 “(6) the use of any other security-enhancing
15 features appropriate for the licensee’s specific cir-
16 cumstances.”.

17 (2) APPLICABILITY.—The regulations pre-
18 scribed under section 926(d)(1) of such title shall
19 not apply to a person who, on the date of the enact-
20 ment of this Act, is a licensee referred to in section
21 923(m) of such title, until the earlier of—

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

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

4 **SEC. 6. BUSINESS INVENTORY FIREARMS.**

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

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

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

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

18 (b) LICENSEE FIREARMS INVENTORY.—Section
 19 923(g) of such title is amended by adding at the end the
 20 following:

21 “(8) Each licensee shall conduct a quarterly physical
 22 check of the firearms inventory of the business of the li-
 23 censee licensed under this chapter and report any lost, sto-
 24 len, or unaccounted for firearm to the Attorney General
 25 and appropriate local authorities in accordance with regu-

1 lations which shall be prescribed by the Attorney General
2 and shall require, at a minimum, the recording of the date
3 of receipt of the firearm, the name, address, and license
4 number, if applicable, of the person from whom the fire-
5 arm was received, the name of the manufacturer and, if
6 applicable, importer of the firearm, the model, serial num-
7 ber, type, and caliber or gauge of the firearm, and the
8 date of the sale or other disposition of the firearm. This
9 chapter shall not be interpreted to prohibit the Attorney
10 General from, at any time, requiring the regular or one-
11 time submission of the inventory records of a licensee to
12 ensure that the licensee is in compliance with this chap-
13 ter.”.

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

17 (1) The 5th proviso under the heading “Bureau
18 of Alcohol, Tobacco, Firearms and Explosives—Sala-
19 ries and Expenses” in title II of division B of the
20 Consolidated and Further Continuing Appropria-
21 tions Act, 2013 (18 U.S.C. 923 note; Public Law
22 113–6; 127 Stat. 248) is amended by striking “and
23 any fiscal year thereafter”.

24 (2) The matter under the heading “Bureau of
25 Alcohol, Tobacco, Firearms and Explosives—Sala-

1 ries and Expenses” in title I of division B of the
2 Consolidated and Further Continuing Appropria-
3 tions Act, 2012 (18 U.S.C. 923 note; Public Law
4 112–55; 125 Stat. 609–610) is amended by striking
5 the 7th proviso.

6 (3) The matter under the heading “Bureau of
7 Alcohol, Tobacco, Firearms and Explosives—Sala-
8 ries and Expenses” in title II of Division B of the
9 Consolidated Appropriations Act of 2010 (18 U.S.C.
10 923 note; Public Law 111–117; 123 Stat. 3128) is
11 amended by striking “or any other Act” in the 7th
12 proviso.

13 (4) The matter under the heading “Bureau of
14 Alcohol, Tobacco, Firearms and Explosives—Sala-
15 ries and Expenses” in title II of Division B of the
16 Omnibus Appropriations Act of 2009 (18 U.S.C.
17 923 note; Public Law 111–8; 123 Stat. 574) is
18 amended by striking “or any other Act” in the 7th
19 proviso.

20 (5) The matter under the heading “Bureau of
21 Alcohol, Tobacco, Firearms and Explosives—Sala-
22 ries and Expenses” in title II of Division B of the
23 Consolidated Appropriations Act of 2008 (18 U.S.C.
24 923 note; Public Law 110–161; 121 Stat. 1903) is

1 amended by striking “or any other Act” in the 7th
2 proviso.

3 (6) The matter under the heading “Bureau of
4 Alcohol, Tobacco, Firearms and Explosives—Sala-
5 ries and Expenses” in title I of the Science, State,
6 Justice, Commerce And Related Agencies Appropria-
7 tions Act of 2006 (18 U.S.C. 923 note; Public Law
8 109–108; 119 Stat. 2295) is amended by striking
9 “or any other Act” in the 7th proviso.

10 (7) The matter under the heading “Bureau of
11 Alcohol, Tobacco, Firearms and Explosives—Sala-
12 ries and Expenses” in title I of Division B of the
13 Consolidated and Further Continuing Appropria-
14 tions Act, 2005 (18 U.S.C. 923 note; Public Law
15 108–447; 118 Stat. 2859–2860) is amended by
16 striking “or any other Act” in the 7th proviso.

17 (8) The matter under the heading “Bureau of
18 Alcohol, Tobacco, Firearms and Explosives—Sala-
19 ries and Expenses” in title I of Division B of the
20 Consolidated and Further Continuing Appropria-
21 tions Act, 2004 (18 U.S.C. 923 note; Public Law
22 108–199; 1185 Stat. 53) is amended by striking “or
23 any other Act” in the 7th proviso.

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

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

4 (1) in paragraph (1)(A)—

5 (A) in the 1st sentence, by inserting “, ex-
6 cept that, notwithstanding any other provision
7 of law, as of the effective date of the Federal
8 Firearm Licensee Act, records prepared by li-
9 censees under this chapter of the sale or other
10 disposition of firearms, including each firearms
11 transaction record, and the corresponding
12 record of receipt of such firearms, shall be re-
13 tained at the business premises readily acces-
14 sible for inspection under this chapter until the
15 business is discontinued” before the period; and

16 (B) by striking the 2nd sentence;

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

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

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

24 “(9)(A) Within 3 years after the date of enactment
25 of this paragraph, the National Tracing Center of the Bu-
26 reau of Alcohol, Tobacco, Firearms and Explosives shall

1 establish and maintain electronic, searchable databases of
2 all records regarding the importation, production, ship-
3 ment, receipt, sale, or other disposition of firearms re-
4 quired to be submitted by licensees to the Attorney Gen-
5 eral under this chapter.

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

11 “(C) The National Tracing Center—

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

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

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

1 “(E) The databases established under this para-
2 graph—

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

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

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

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

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

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

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

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

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

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

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

20 (e) ELIMINATION OF LIMITATION ON CENTRALIZING
21 RECORDS.—Section 926(a) of such title is amended in the
22 matter following paragraph (3) by striking “records re-
23 quired to be maintained under this chapter or any portion
24 of the contents of such records, be recorded at or trans-
25 ferred to a facility owned, managed, or controlled by the

1 United States or any State or any political subdivision
2 thereof, nor that.”.

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

6 “(e) The Attorney General—

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

12 “(2) shall facilitate digital capture of dealer
13 paper records, the integration and indexing of data
14 onto a platform accessible by law enforcement au-
15 thorities for purposes of investigating a violent crime
16 or crime gun trace;

17 “(3) shall facilitate remote access to electronic
18 records of licensed dealers by law enforcement au-
19 thorities for purposes of investigating a violent crime
20 or crime gun trace, and dealer access to only their
21 own records; and

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

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

2 Section 922(t)(1)(B)(ii) of title 18, United States
3 Code, is amended by adding at the end, before the semi-
4 colon, the following: “, if the licensee notifies the Attorney
5 General that such firearm has been transferred to such
6 person no later than the close of business on the day that
7 the firearm is transferred”.

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) by striking “pistols, or revolvers, or any
14 combination of pistols and revolvers” and inserting
15 “pistols, revolvers, semiautomatic rifles or shotguns,
16 or rifles or shotguns capable of accepting a high ca-
17 pacity magazine, or any combination of such weap-
18 ons”; and

19 (2) by inserting after the 1st 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 magazines 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 such title is amended—

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

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

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

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

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

18 “(B) The Attorney General shall prepare a report of
19 multiple dispositions of firearms to persons not licensed
20 under this chapter, which shall include the names and
21 identifying information of transferees appearing in the
22 records retained pursuant to section 922(t)(2)(C) on 2 or
23 more occasions in any period of 5 consecutive business
24 days. The report shall be prepared on a form substantially
25 similar to the form created pursuant to subparagraph (A)

1 and include the names and addresses of the licensees who
2 requested the background checks pursuant to subsection
3 (t). The Attorney General shall forward the report to the
4 office designated pursuant to subparagraph (A) and to the
5 departments of State police or State law enforcement
6 agencies of the State or local law enforcement agencies
7 of the local jurisdictions in which the sales or other dis-
8 positions took place, not later than the close of business
9 on the date of the most recent such sale or other disposi-
10 tion.”; and

11 (2) by redesignating subparagraph (B) as sub-
12 paragraph (C).

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

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

19 (2) by striking “, and shall destroy each such
20 form and any record of the contents thereof no more
21 than 20 days from the date such form is received”
22 and inserting “and shall retain each such form and
23 any record of the contents of the form for 180 days
24 after the date the form is received”; and

25 (3) by striking the 2nd sentence.

1 **SEC. 10. SAFETY DEVICES AND WARNINGS TO PUR-**
2 **CHASERS.**

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

5 (1) by inserting “AND WARNINGS TO PUR-
6 CHASERS” after “SECURE GUN STORAGE OR SAFE-
7 TY DEVICE”;

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

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

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

23 **SEC. 11. INSPECTIONS.**

24 (a) MANDATED ANNUAL INSPECTIONS OF HIGH
25 RISK LICENSED DEALERS, TRIENNIAL INSPECTIONS OF
26 OTHER LICENSED DEALERS.—Section 923(g)(1)(B) of

1 such title is amended by adding after and below the end
2 the following flush sentence: “Not less frequently than an-
3 nually, the Attorney General shall inspect or examine the
4 inventory, records, and business premises of each licensed
5 dealer whom the Attorney General determines to be a high
6 risk dealer (based on considerations that shall include
7 dealers who have reported a lost or stolen firearm within
8 the preceding 5 years, were issued a report of violation,
9 received a warning letter, or been the subject of a warning
10 conference, or, within the preceding year, to whom were
11 traced multiple firearms used in a crime under Federal,
12 State, or local law within 3 years after sale by the dealer)
13 and may appoint a special master to ensure that such
14 dealers comply with all applicable firearm sales laws. The
15 special master may use in-store observation, monitor
16 records, conduct random and repeated sales integrity
17 tests, and design and offer instructional programs pro-
18 viding best practices sales training to all employees in-
19 volved in firearms sales until the special master certifies
20 that the dealer has complied with all applicable firearms
21 sales laws for 3 consecutive years. Not less frequently than
22 every 5 years, the Attorney General shall inspect or exam-
23 ine the inventory, records, and business premises of each
24 other licensed dealer. Within 6 months after such an in-
25 spection reveals a violation of this section or any regula-

1 tion prescribed under this chapter, and within 6 months
2 after a security inspection conducted under paragraph
3 (6)(B)(i) of this subsection, the Attorney General shall
4 conduct an inspection to determine whether the violation
5 identified in the preceding inspection has been cured.”.

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

9 (1) by striking “—” and all that follows
10 through “(II)”; and

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

14 (c) MANDATED SECURITY INSPECTION OF DEALERS
15 REPORTING LOST OR STOLEN FIREARMS.—Section
16 923(g)(6) of such title is amended—

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

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

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

1 “(ii) On completion of the security inspection, the At-
 2 torney General shall provide the licensed dealer with—

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

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

8 (d) ELIMINATION OF LIMIT ON INSPECTION OF
 9 OTHER PREMISES.—Section 923(j) of such title is amend-
 10 ed by striking the 6th sentence.

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

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

15 (1) in subsection (c)—

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

17 (B) in the first sentence, by inserting “,
 18 subject to paragraph (2),” after “Attorney Gen-
 19 eral shall”; and

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

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

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

1 “(B) that the applicant—

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

3 “(ii) is otherwise not suitable to be issued

4 a license.”; and

5 (2) in subsection (d)(1)—

6 (A) in the first sentence, by inserting “and

7 renewals thereof” after “this section”;

8 (B) in the matter preceding subparagraph

9 (A), by inserting “, subject to subsection

10 (c)(2),” after “shall”;

11 (C) in subparagraph (C), by striking “not

12 willfully violated” and inserting “no uncured

13 violations”; and

14 (D) in subparagraph (F)—

15 (i) in clause (ii)(II), by striking “and”

16 at the end; and

17 (ii) by adding at the end the fol-

18 lowing:

19 “(iv) all employees employed in the busi-

20 ness will be at least the minimum age at which

21 individuals may possess a firearm in the locality

22 in which the business will be conducted and are

23 not prohibited from transporting, shipping, or

24 receiving firearms or ammunition in interstate

1 or foreign commerce by subsection (g) or (n) of
2 section 922;”.

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

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

7 (2) in subsection (f)—

8 (A) in paragraph (1)—

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

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

15 (B) in paragraph (2)—

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

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

21 (C) in paragraph (3)—

22 (i) by striking “or revoke” and insert-
23 ing “or revoke or suspend”;

1 (ii) by striking “or revocation” and
2 inserting “, revocation, or suspension”;
3 and
4 (iii) by striking “to revoke” and in-
5 serting “to revoke or suspend”.

6 (c) AUTHORITY TO PROMULGATE RULES.—Section
7 926(a) of such title is amended by striking “only”.

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

11 (1) 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, 2012 (18 U.S.C. 923 note; Public Law
16 112–55; 125 Stat. 609–610) is amended by striking
17 the 9th proviso.

18 (2) The matter under the heading “Bureau of
19 Alcohol, Tobacco, Firearms and Explosives—Sala-
20 ries and Expenses” in title II of division B of the
21 Consolidated and Further Continuing Appropria-
22 tions Act, 2013 (18 U.S.C. 923 note; Public Law
23 113–6; 127 Stat. 247–248) is amended by striking
24 the 6th 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 such title is amended by striking “\$10” and in-
 3 serting “\$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 2nd sentence by striking “shall upon the
 8 request of the holder of the license” and inserting “may,
 9 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 by striking subsection (b) and
 16 redesignating subsections (c) through (f) as subsections
 17 (b) through (e), respectively.

18 (b) CONFORMING AMENDMENTS.—Section 922 of
 19 such title is amended—

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

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

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

5 **SEC. 16. ELIMINATION OF RELIEF WHILE FEDERAL DIS-**
6 **ABILITY RELIEF APPLICATION PENDING.**

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

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

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

20 **SEC. 18. INCREASED PENALTIES FOR KNOWING TRANSFER**
21 **OF FIREARM WITHOUT CONDUCTING A BACK-**
22 **GROUND CHECK.**

23 Section 922(t)(5) of title 18, United States Code, is
24 amended by inserting “in the case of the 1st violation and,
25 in the case of a subsequent violation, shall immediately

1 suspend or revoke any license issued to the licensee under
 2 section 923 and impose on the licensee a civil fine equal
 3 to \$20,000” before the period.

4 **SEC. 19. UNLAWFUL ACTS UPON INCURRING FEDERAL DIS-**
 5 **ABILITY OR NOTICE OF LICENSE SUSPEN-**
 6 **SION, REVOCATION OR DENIED RENEWAL.**

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

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

21 “(A) transfer a business inventory firearm—

22 “(i) into the personal collection of the li-
 23 censee; or

1 “(ii) to any person other than a licensee
2 under this chapter or a Federal, State, or local
3 law enforcement agency; or

4 “(B) receive a business inventory firearm.

5 “(2) Upon a showing by a licensee of good cause, the
6 Attorney General may issue a written waiver of paragraph
7 (1) if the licensee authorizes the Attorney General to in-
8 spect the records and inventory of the licensee at any time
9 to ensure that the licensee is in compliance with this chap-
10 ter.”.

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

13 “(8) Whoever knowingly violates section 922(aa)
14 shall be fined under this title, imprisoned not more than
15 1 year, or both.”.

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

1 **SEC. 20. REGULATION OF FACILITATORS OF FIREARM**
2 **TRANSFERS.**

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

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

9 (b) **COMPLETED FACILITATED SALES.**—Section 923
10 of such title is further amended by adding at the end the
11 following:

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

13 “(A) inform all prospective sellers using its
14 commercial marketplace that any offer for firearm
15 sales, purchases, or other transfers made using its
16 commercial marketplace may be completed only with
17 the assistance of a licensed importer, licensed manu-
18 facturer, or licensed dealer, who must take posses-
19 sion of the firearm directly from the transferor for
20 the purpose of complying with section 922(t);

21 “(B) require all prospective firearm sellers to so
22 complete all firearms sales, purchases, or other
23 transfers; and

24 “(C) maintain records of any such sale, pur-
25 chase, or other transfer which shall include the date
26 of the offer, the name of the offeror, and the name

1 and the licensee number of the licensee that will
2 take possession of the firearm directly from the
3 transferor, and the model, serial number, type, and
4 caliber or gauge of the firearm involved.

5 “(2) A licensed facilitator may require, as a condition
6 of using its commercial marketplace, that, before offering
7 a firearm for sale, a prospective seller identify a licensed
8 dealer that will take possession of the firearm and com-
9 plete the sale.

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

16 (c) LIABILITY.—Section 924(h) of such title is
17 amended—

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

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

20 “(2) Whoever, having accepted an offer to transfer
21 ownership of a firearm using a commercial marketplace
22 of a licensed facilitator in order to complete a firearm
23 transaction as described in paragraph (1) of this sub-
24 section, knowingly transfers the firearm to a person not
25 licensed under this chapter without a licensed importer,

1 licensed manufacturer, or licensed dealer first taking pos-
 2 session of the firearm for the purpose of complying with
 3 section 922(t), shall be fined under this title, imprisoned
 4 not more than 1 year, or both, except that if receipt of
 5 the firearm by the transferee violates subsection (g) or (n)
 6 of section 922, or the firearm is used to commit a crime
 7 of violence (as defined in section (c)(3) of this section)
 8 or drug trafficking crime (as defined in subsection (c)(2)
 9 of this section), the transferor shall be fined under this
 10 title, imprisoned not more than 10 years, or both.”.

11 (d) CONFORMING AMENDMENTS.—

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

13 (A) in subsection (a)(1)—

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

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

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

20 “(C) except a licensed facilitator, to engage
 21 in the business of hosting a commercial market-
 22 place in which offers for firearms sales, pur-
 23 chases, or other transfers are allowed to be
 24 made;”;

25 (B) in subsection (a)(6)—

1 (i) by striking “or licensed collector”
2 and inserting “licensed collector, or li-
3 censed facilitator”; and

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

6 (C) in subsection (m), by striking “or li-
7 censed collector” and inserting “licensed col-
8 lector, or licensed facilitator”.

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

10 (A) in the 1st sentence of subsection (c),
11 by inserting “or facilitate firearm sales, pur-
12 chases or other transfers” before “during the
13 period stated in the license”;

14 (B) in subsection (g)(1)(A)—

15 (i) in the first sentence, by striking
16 “and licensed dealer” and inserting “li-
17 censed dealer, and licensed facilitator”;
18 and

19 (ii) in the last sentence, by inserting
20 “licensed facilitator,” before “or any li-
21 censed importer”; and

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

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

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

5 (a) REQUIREMENTS.—

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

1 business premises of the applicant subject to the li-
2 cense is located.”.

3 (2) BACKGROUND CHECK REQUIRED BEFORE
4 FIREARM POSSESSION BY DEALER EMPLOYEE.—Sec-
5 tion 923(g) of such title is further amended by add-
6 ing at the end the following:

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

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

14 “(B) the licensed dealer has contacted the na-
15 tional instant criminal background check system es-
16 tablished under section 103 of the Brady Handgun
17 Violence Prevention Act to determine whether it
18 would be unlawful for the individual to receive a fire-
19 arm; and

20 “(C) the system has notified the licensee that
21 the information available to the system does not
22 demonstrate that the receipt of a firearm by the in-
23 dividual would violate subsection (g) or (n) of sec-
24 tion 922 or State law.”.

1 (b) AUTHORITY OF NICS SYSTEM TO RESPOND TO
 2 LICENSED DEALER REQUEST FOR CRIMINAL BACK-
 3 GROUND CHECK OF EMPLOYEE OR APPLICANT FOR EM-
 4 PLOYMENT.—Section 103(b) of the Brady Handgun Vio-
 5 lence Prevention Act (34 U.S.C. 40901(b)) is amended by
 6 adding at the end the following: “The Attorney General
 7 shall ensure that the system responds to any request re-
 8 ceived by the system from a licensed dealer for information
 9 on whether receipt of a firearm by an employee or appli-
 10 cant for employment of the licensed dealer would violate
 11 such section 922 or State law.”.

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

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

23 **SEC. 22. LIABILITY STANDARDS.**

24 (a) LIABILITY IN LICENSING.—Section 923 of title
 25 18, United States Code, is amended—

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

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

5 (b) LIABILITY IN PENALTIES.—Section 924 of such
6 title is amended—

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

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

11 **SEC. 23. CIVIL ENFORCEMENT.**

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

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

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

17 “(2) In the case of a person who the Attorney Gen-
18 eral has found to be engaged in conduct that constitutes
19 a violation of section 922(a)(1)(A), the Attorney General
20 shall transmit to the persona written notice specifying the
21 violation, which shall include a copy of the provision of
22 law violated, and impose a civil money penalty in an
23 amount that is not less than \$2,500 and not more than
24 \$20,000.”.

1 (b) TIERED PENALTIES FOR REPEATED VIOLATIONS
 2 OF REGULATIONS BY LICENSED DEALERS.—Section 924
 3 of such title is amended by adding at the end the fol-
 4 lowing:

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

7 “(1) In the case of a licensed dealer who the
 8 Attorney General has found to be in violation of a
 9 regulation prescribed under section 926, the Attor-
 10 ney General shall—

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

13 “(i) in the case of the 1st such viola-
 14 tion by the licensed dealer, if not preceded
 15 by a violation to which subparagraph (B)
 16 applies, transmit to the licensed dealer a
 17 written notice specifying the violation,
 18 which shall include a copy of the provision
 19 of law or regulation violated and a plan for
 20 how to cure the violation;

21 “(ii) in the case of the 2nd such viola-
 22 tion by the licensed dealer, if not preceded
 23 by a violation to which subparagraph (B)
 24 applies, impose a civil money penalty in an

1 amount that is not less than \$2,500 and
2 not more than \$20,000;

3 “(iii) in the case of the 3rd such viola-
4 tion by the licensed dealer, if not preceded
5 by a violation to which subparagraph (B)
6 applies, suspend the license to deal in fire-
7 arms issued to the licensed dealer under
8 this chapter until the violation ceases;

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

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

21 “(B) if the violation is a result of such
22 gross negligence—

23 “(i) in the case of the 1st such viola-
24 tion by the licensed dealer, impose a civil
25 money penalty in an amount that is not

1 less than \$2,500 and not more than
2 \$20,000;

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

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

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

11 “(III) revoke the license; or

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

19 “(2) In the case of any such violation, if the At-
20 torney General finds that the nature of the violation
21 indicates that the continued operation of a firearms
22 business by the licensed dealer presents an imminent
23 risk to public safety, the Attorney General shall, not-
24 withstanding paragraph (1), immediately suspend
25 the license to deal in firearms issued to the licensed

1 dealer under this chapter and secure the firearms in-
2 ventory of the licensed dealer, until the violation
3 ceases.”.

4 **SEC. 24. REMOVAL OF BAR ON CIVIL PROCEEDINGS IF**
5 **CRIMINAL PROCEEDINGS TERMINATED.**

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

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

9 (a) LIMITATIONS RELATED TO USE OF FIREARMS
10 TRACE DATA.—

11 (1) 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, 2012 (18 U.S.C. 923 note; Public Law
16 112–55; 125 Stat. 609–610) is amended by striking
17 the 6th proviso.

18 (2) The 6th proviso under the heading “Bureau
19 of Alcohol, Tobacco, Firearms and Explosives—Sala-
20 ries and Expenses” in title II of division B of the
21 Consolidated Appropriations Act, 2010 (18 U.S.C.
22 923 note; Public Law 111–117; 123 Stat. 3128–
23 3129) is amended by striking “beginning in fiscal
24 year 2010 and thereafter” and inserting “in fiscal
25 year 2010”.

1 (3) The 6th proviso under the heading “Bureau
2 of Alcohol, Tobacco, Firearms and Explosives—Sala-
3 ries and Expenses” in title II of division B of the
4 Omnibus Appropriations Act, 2009 (18 U.S.C. 923
5 note; Public Law 111–8; 123 Stat. 574–576) is
6 amended by striking “beginning in fiscal year 2009
7 and thereafter” and inserting “in fiscal year 2009”.

8 (4) The 6th proviso under the heading “Bureau
9 of Alcohol, Tobacco, Firearms and Explosives—Sala-
10 ries and Expenses” in title II of division B of the
11 Consolidated Appropriations Act, 2008 (18 U.S.C.
12 923 note; Public Law 110–161; 121 Stat. 1903–
13 1904) is amended by striking “beginning in fiscal
14 year 2008 and thereafter” and inserting “in fiscal
15 year 2008”.

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

23 (6) The 6th proviso under the heading in title
24 I of division B of the Consolidated Appropriations
25 Act, 2005 (18 U.S.C. 923 note; Public Law 108–

1 447; 118 Stat. 2859–2860) is amended by striking
2 “with respect to any fiscal year”.

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

8 (b) LIMITATIONS RELATING TO CONSOLIDATING AND
9 CENTRALIZING RECORDS.—The matter under the heading
10 “Bureau of Alcohol, Tobacco, Firearms and Explosives—
11 Salaries and Expenses” in title I of division B of the Con-
12 solidated and Further Continuing Appropriations Act,
13 2012 (18 U.S.C. 923 note; Public Law 112–55; 125 Stat.
14 609) is amended in the 1st proviso by striking “or here-
15 after”.

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

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

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

1 **SEC. 26. AUTHORITY TO HIRE ADDITIONAL INDUSTRY OP-**
2 **ERATION INVESTIGATORS FOR BATFE.**

3 The Attorney General may hire 650 Industry Oper-
4 ation Investigators for the Bureau of Alcohol, Tobacco,
5 Firearms and Explosives, to be distributed among the var-
6 ious field divisions to match the number and distribution
7 of persons licensed under chapter 44 of title 18, United
8 States Code, in addition to any personnel needed to carry
9 out this Act and any Industry Operation Investigators au-
10 thorized by other law.

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

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

1 **SEC. 28. ANNUAL LICENSED DEALER INSPECTIONS REPORT**
2 **AND ANALYSIS.**

3 Within 2 years after the date of enactment of this
4 Act, and annually thereafter, the Attorney General shall
5 submit to the Congress and publish publicly on the website
6 of the Department of Justice, a written report which
7 states—

8 (1) the number of inspections conducted of
9 Type 01 and 02 Federal firearm licensees (dealers
10 and pawnbrokers) in the preceding 24 months, by
11 each field division of the Bureau of Alcohol, To-
12 bacco, Firearms and Explosives (in this section re-
13 ferred to as the “BATFE”), including by the num-
14 ber of inspections of high risk dealers and non-high
15 risk dealers;

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

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

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

25 (A) the number of licenses recommended
26 to be suspended or revoked;

1 (B) the number of licensees sent notices of
2 suspension or revocation;

3 (C) the number of hearings requested by
4 licensees on receipt of notice of suspension or
5 revocation;

6 (D) the number of suspension or revoca-
7 tion hearings initiated in a prior 12-month pe-
8 riod that remain ongoing during the 12-month
9 period covered by the report; and

10 (E) the decision ultimately rendered in
11 each such matter by the Director of the
12 BATFE.

13 **SEC. 29. DEADLINE FOR ISSUANCE OF FINAL REGULA-**
14 **TIONS.**

15 Within two years after the date of enactment of this
16 Act, the Attorney General shall prescribe, in final form,
17 all regulations required to carry out this Act and the
18 amendments made by this Act.

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