

of amendment No. 2213 intended to be proposed to S. 4638, a bill to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

## AMENDMENT NO. 2225

At the request of Mr. HAWLEY, the name of the Senator from Texas (Mr. CRUZ) was added as a cosponsor of amendment No. 2225 intended to be proposed to S. 4638, a bill to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

## AMENDMENT NO. 2238

At the request of Mr. CORNYN, the names of the Senator from Arizona (Mr. KELLY) and the Senator from Arizona (Ms. SINEMA) were added as cosponsors of amendment No. 2238 intended to be proposed to S. 4638, a bill to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN:

S. 4701. A bill to amend the Higher Education Act of 1965 regarding proprietary institutions of higher education in order to protect students and taxpayers; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Madam President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 4701

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Our Students and Taxpayers Act of 2024” or “POST Act of 2024”.

## SEC. 2. 85/15 RULE.

(a) IN GENERAL.—Section 102(b) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking “and” after the semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(F) meets the requirements of paragraph (2).”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) REVENUE SOURCES.—

“(A) DEFINITIONS.—In this paragraph:

“(1) ALTERNATIVE FINANCING ARRANGEMENT.—The term ‘alternative financing agreement’ means a financing agreement between—

“(I) a student of an institution; and

“(II)(aa) the institution;

“(bb) any entity or individual—

“(AA) in the institution’s ownership tree; or

“(BB) with any common ownership of the institution and the entity providing the funds; or

“(cc)(AA) an entity that has any other relationship or agreement with the institution; or

“(BB) an entity with common ownership with an entity described in subitem (AA).

“(i) FEDERAL EDUCATION ASSISTANCE FUNDS.—The term ‘Federal education assistance funds’ means Federal funds that are disbursed or delivered to or on behalf of a student to be used to attend such institution, as calculated under subparagraph (C).

“(B) 85/15 RULE.—In order to qualify as a proprietary institution of higher education under this subsection, an institution shall derive not less than 15 percent of the institution’s revenues from sources other than Federal education assistance funds, as calculated in accordance with subparagraphs (A) and (C).

“(C) IMPLEMENTATION OF NON-FEDERAL REVENUE REQUIREMENT.—In making calculations under subparagraph (B), an institution of higher education shall—

“(i) use the cash basis of accounting;

“(ii) consider as revenue only those funds generated by the institution from—

“(I) tuition, fees, and other institutional charges for students enrolled in programs eligible for assistance under title IV;

“(II) activities conducted by the institution that are necessary for the education and training of the institution’s students, if such activities are—

“(aa) conducted on campus or at a facility under the control of the institution;

“(bb) performed under the supervision of a member of the institution’s faculty;

“(cc) required to be performed by all students in a specific educational program at the institution; and

“(dd) related directly to services performed by students;

“(III) a contractual arrangement with a Federal agency for the purpose of providing job training to low-income individuals who are in need of such training; and

“(IV) funds paid by a student, or on behalf of a student by a party unrelated to the institution, its owners, or affiliates, for an education or training program that is not eligible for assistance under title IV, as long as—

“(aa) such noneligible program does not include any courses offered in an eligible program of the proprietary institution;

“(bb) such noneligible program is provided by the institution, and taught by an instructor of the institution, at—

“(AA) its main campus or one of its additional locations, as approved by the appropriate accrediting agency or association;

“(BB) another school facility approved by the appropriate State agency or accrediting agency or association; or

“(CC) an employer facility; and

“(cc) such noneligible program is not a program where the institution is merely providing facilities for test preparation courses, acting as a proctor, or overseeing a course of self-study;

“(iii) presume that any Federal education assistance funds that are disbursed or delivered to an institution on behalf of a student or directly to a student will be used to pay the student’s tuition, fees, or other institu-

tional charges, regardless of whether the institution credits such funds to the student’s account or pays such funds directly to the student, except to the extent that the student’s tuition, fees, or other institutional charges are satisfied by—

“(I) grant funds provided by an outside source that—

“(aa) has no affiliation with the institution; and

“(bb) shares no employees, executives, or board members with the institution; and

“(II) institutional scholarships described in clause (vi);

“(iv) include no loans made by an institution of higher education as revenue to the school, except for payments made by current or former students to the institution during the fiscal year for which the determination is being made on such loans that are—

“(I) used to satisfy tuition, fees, and other institutional charges;

“(II) bona fide, as evidenced by standalone repayment agreements between the students and the institution that are enforceable promissory notes;

“(III) issued at intervals related to the institution’s enrollment periods;

“(IV) subject to regular loan repayments and collections by the institution; and

“(V) separate from the enrollment contracts signed by the students;

“(v) include funds from an income share agreement, or any other alternative financing agreement, with a student only if—

“(I) the institution clearly identifies the student’s institutional charges, and such charges are the same or less than the stated rate for institutional charges;

“(II) the agreement clearly identifies the maximum time and maximum amount a student would be required to pay, including the implied or imputed interest rate and any fees and revenue generated for a related third party, the institution, or an entity described in subparagraph (A)(i)(II), for that maximum time period; and

“(III) all payments under the agreement are applied with a portion allocated to the return of capital and a portion allocated to profit, with revenue, interest, and fees not included in the calculation;

“(vi) include a scholarship provided by the institution—

“(I) only if the scholarship is in the form of monetary aid based upon the academic achievements or financial need of students, disbursed to qualified student recipients during each fiscal year from an established restricted account; and

“(II) only to the extent that funds in that account represent designated funds, or income earned on such funds, from an outside source that—

“(aa) has no affiliation with the institution; and

“(bb) shares no employees, executives, or board members with the institution; and

“(vii) exclude from revenues—

“(I) the amount of funds the institution received under part C of title IV, unless the institution used those funds to pay a student’s institutional charges;

“(II) the amount of funds the institution received under subpart 4 of part A of title IV;

“(III) the amount of funds provided by the institution as matching funds for any Federal program;

“(IV) the amount of Federal education assistance funds provided to the institution to pay institutional charges for a student that were refunded or returned; and

“(V) the amount charged for books, supplies, and equipment, unless the institution includes that amount as tuition, fees, or other institutional charges.

“(D) REGAINING ELIGIBILITY.—Notwithstanding subparagraph (B), a proprietary institution of higher education that fails to meet the requirements of such subparagraph for a fiscal year shall be ineligible for purposes of this paragraph for a period of not less than 2 institutional fiscal years. To regain eligibility under this paragraph, the proprietary institution shall demonstrate compliance with all eligibility and certification requirements under section 498 for a minimum of 2 institutional fiscal years after the institutional fiscal year in which the institution became ineligible.

“(E) REPORT TO CONGRESS.—Not later than July 1, 2026, and by July 1 of each succeeding year, the Secretary shall submit to the authorizing committees a report that contains, for each proprietary institution of higher education that receives assistance under title IV and as provided in the audited financial statements submitted to the Secretary by each institution pursuant to the requirements of section 487(c)—

“(i) the amount and percentage of such institution’s revenues received from Federal education assistance funds; and

“(ii) the amount and percentage of such institution’s revenues received from other sources.”.

(b) REPEAL OF EXISTING REQUIREMENTS.—Section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094) is amended—

(1) in subsection (a)—

(A) by striking paragraph (24);

(B) by redesignating paragraphs (25) through (29) as paragraphs (24) through (28), respectively;

(C) in paragraph (24)(A)(ii) (as redesignated by subparagraph (B)), by striking “subsection (e)” and inserting “subsection (d)”;

(D) in paragraph (26) (as redesignated by subparagraph (B)), by striking “subsection (h)” and inserting “subsection (g)”;

(2) by striking subsection (d);

(3) by redesignating subsections (e) through (j) as subsections (d) through (i), respectively;

(4) in the matter preceding paragraph (1) of subsection (d) (as redesignated by paragraph (3)), by striking “(a)(25)” and inserting “(a)(24)”;

(5) in subsection (f)(1) (as redesignated by paragraph (3)), by striking “subsection (e)(2)” and inserting “subsection (d)(2)”;

(6) in subsection (g)(1) (as redesignated by paragraph (3)), by striking “subsection (a)(27)” in the matter preceding subparagraph (A) and inserting “subsection (a)(26)”.

(c) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 152 (20 U.S.C. 1019a)—

(A) in subsection (a)(1)(A), by striking “subsections (a)(27) and (h) of section 487” and inserting “subsections (a)(26) and (g) of section 487”; and

(B) in subsection (b)(1)(B)(i)(I), by striking “section 487(e)” and inserting “section 487(d)”;

(2) in section 153(c)(3) (20 U.S.C. 1019b(c)(3)), by striking “section 487(a)(25)” each place the term appears and inserting “section 487(a)(24)”;

(3) in section 496(c)(3)(A) (20 U.S.C. 1099b(c)(3)(A)), by striking “section 487(f)” and inserting “section 487(e)”;

(4) in section 498(k)(1) (20 U.S.C. 1099c(k)(1)), by striking “section 487(f)” and inserting “section 487(e)”.

### SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect on July 1, 2025.

Mr. DURBIN. Madam President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

By Mr. DURBIN (for himself, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Ms. HIRONO, Mr. BOOKER, Mr. WELCH, Mrs. SHAHEEN, Mr. REED, Mr. SCHATZ, and Mr. CARDIN):

S. 4706. A bill to modernize the business of selling firearms; to the Committee on the Judiciary.

S. 4706

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

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

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

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Definitions.

Sec. 4. Repeal of temporary Brady provision.

Sec. 5. Physical security of licensee premises.

Sec. 6. Business inventory firearms.

Sec. 7. Electronic records.

Sec. 8. Notification of default transfers.

Sec. 9. Multiple firearm sales records and reports.

Sec. 10. Safety devices and warnings to purchasers.

Sec. 11. Inspections.

Sec. 12. Authority with regards to license issuance and renewal.

Sec. 13. Increased licensing fees.

Sec. 14. Elimination of obligatory stay of effective date of license revocation.

Sec. 15. Elimination of relief for dealers indicted for a crime punishable by imprisonment for a term exceeding one year.

Sec. 16. Elimination of relief while Federal disability relief application pending.

Sec. 17. Presumption of knowledge of State law in sale of long guns to residents of another State.

Sec. 18. Increased penalties for knowing transfer of firearm without conducting a background check.

Sec. 19. Unlawful acts upon incurring Federal disability or notice of license suspension, revocation, or denied renewal.

Sec. 20. Regulation of facilitators of firearm transfers.

Sec. 21. Dealer and employee background checks.

Sec. 22. Liability standards.

Sec. 23. Civil enforcement.

Sec. 24. Removal of bar on civil proceedings if criminal proceedings terminated.

Sec. 25. Repeal of certain limitations.

Sec. 26. Authority to hire additional industry operation investigators for Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Sec. 27. Report on implementation of this Act.

Sec. 28. Annual licensed dealer inspections report and analysis.

Sec. 29. Deadline for issuance of final regulations.

### SEC. 2. FINDINGS.

Congress finds the following:

(1) A growing body of evidence demonstrates that firearm dealers’ sales practices affect the probability of firearms getting to criminals and that policies designed

to hold firearm sellers accountable can curtail the diversion of firearms to criminals.

(2) Federal laws governing firearm dealers—

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

(B) contain safeguards that protect dealers who engage in illegal practices from adverse enforcement action;

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

(D) are, thus, inadequate to meet the realities of the 21st century.

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

(i) severely limit the authority of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (commonly known as the “ATF”) to disclose crime firearm trace data to the public;

(ii) prevent—

(I) the collection of valuable information; and

(II) the establishment of effective policies to prevent illegal firearms from being used in crimes; and

(iii) impede enforcement of the firearm laws by—

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

(II) barring the Government from requiring owners of firearm shops to conduct annual inventory audits.

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

(4) Additionally, Federal law imposes no requirements that firearm dealers physically secure their highly valuable and lethal inventory. The number of firearm thefts from licensed firearm dealers has increased more than the number from any other source. Between 2013 and 2017, the number of firearms stolen in firearm-dealer burglaries more than doubled and the number of firearms stolen in firearm-dealer robberies tripled.

### SEC. 3. DEFINITIONS.

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

“(38) The term ‘facilitator’ means any person engaged in the business of hosting a commercial marketplace in which offers for firearm sales, purchases, or other transfers are allowed to be made, except that such a person shall not be considered to be a facilitator with respect to any transaction that is made through the use of a website or mobile application owned or operated by the person if—

“(A) the transaction violates the terms of service of the website or mobile application; and

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

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

“(40) The term ‘personal collection’ includes any firearm obtained only for the personal use of an individual and not for the purpose of selling or trading, except that a firearm obtained through inheritance shall not be considered part of a personal collection until the firearm has been possessed for 1 year.

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

“(42)(A) The term ‘frame’ means the part of a handgun, or a variant thereof, that provides housing or a structure for the primary

energized component designed to hold back the hammer, striker, bolt, or similar component prior to initiation of the firing sequence (such as a sear or the equivalent), even if pins or other attachments are required to connect such component to the housing or structure.

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

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

#### SEC. 4. REPEAL OF TEMPORARY BRADY PROVISION.

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

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

(1) in section 922—

(A) in subsection (t)—

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

(ii) by adding at the end the following:

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

(B) in subsection (y)(2), in the matter preceding subparagraph (A), by striking “, (g)(5)(B), and (s)(3)(B)(v)(II)” and inserting “and (g)(5)(B)”;

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

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

#### SEC. 5. PHYSICAL SECURITY OF LICENSEE PREMISES.

(a) SECURITY PLAN SUBMISSION REQUIREMENT.—

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

(A) by striking “, the applicant” and inserting the following: “—

“(i) the applicant”;

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

(C) by adding at the end the following:

“(ii) the applicant—

“(I) submits with the application a security plan that describes how the applicant will secure, in accordance with the regulations issued under section 926(d), the premises from which the applicant will conduct business under the license (including in the event of a natural disaster or other emergency); and

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

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

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

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

(C) by adding at the end the following:

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

“(i) the license is not suspended;

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

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

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

(A) IN GENERAL.—If, not later than 1 year after the date on which regulations are prescribed under section 926(d) of title 18, United States Code (as added by subsection (c) of this section), a person described in subparagraph (B) of this paragraph submits to the Attorney General a security plan described in clause (ii)(I) of section 923(d)(1)(G) of that title (as added by paragraph (1) of this subsection), the security plan shall be considered to have been submitted in accordance with such section 923(d)(1)(G).

(B) PERSON DESCRIBED.—A person described in this subparagraph is a person—

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

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

(b) ANNUAL COMPLIANCE CERTIFICATION REQUIREMENT.—

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

“(m) ANNUAL CERTIFICATION.—

“(1) IN GENERAL.—Each licensed manufacturer, licensed importer, and licensed dealer shall—

“(A) annually certify to the Attorney General that each premises from which the licensee conducts business subject to license under this chapter is in compliance with the regulations prescribed under section 926(d); and

“(B) in the case of a licensed dealer, include with the certification under subparagraph (A)—

“(i) the results of a reconciliation of the resale firearms then in the business inventory of the licensee against the resale firearms in the business inventory of the licensee at the time of the most recent prior certification (if any) under this paragraph; and

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

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

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

(c) REGULATIONS.—

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

“(d) SECURING PREMISES FROM THEFT.—The Attorney General shall prescribe such regulations as are necessary to ensure that any premises at which a licensee referred to in section 923(m) conducts business is secure from theft, which shall include requiring—

“(1) compliance with the security plan submitted by the licensee pursuant to section 923(d)(1)(G)(ii)(I), if applicable;

“(2) the use of locked metal cabinets and fireproof safes;

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

“(4) security gates, strong locks, and site hardening;

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

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

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

#### SEC. 6. BUSINESS INVENTORY FIREARMS.

(a) REQUIREMENT TO TRANSFER FIREARM IN PERSONAL COLLECTION TO BUSINESS INVENTORY BEFORE DISPOSITION.—Section 923(c) of title 18, United States Code, is amended—

(1) by striking the second sentence and inserting the following: “Nothing in this chapter shall be construed to prohibit a licensed manufacturer, licensed importer, or licensed dealer from maintaining a personal collection of firearms.”;

(2) by striking the third sentence; and

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

(b) LICENSEE FIREARMS INVENTORY.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

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

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

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

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

“(iii) the name of the manufacturer and, if applicable, importer of the firearm;

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

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

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

(c) REPEAL OF LIMITATIONS ON IMPOSITION OF REQUIREMENT THAT FIREARMS DEALERS CONDUCT PHYSICAL CHECK OF FIREARMS INVENTORY.—

(1) FISCAL YEAR 2013.—The fifth proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2013 (18 U.S.C. 923 note; Public Law 113-6; 127 Stat.

248) is amended by striking “and any fiscal year thereafter”.

(2) FISCAL YEAR 2012.—The matter under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2012 (Public Law 112–55; 125 Stat. 609) is amended by striking the seventh proviso.

(3) FISCAL YEAR 2010.—The seventh proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2010 (Public Law 111–117; 123 Stat. 3129) is amended by striking “or any other”.

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

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

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

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

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

#### SEC. 7. ELECTRONIC RECORDS.

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

(1) in paragraph (1)(A)—

(A) in the first sentence, by inserting before the period at the end the following: “, except that, notwithstanding any other provision of law, on and after the date that is 1 year after the date of enactment of the Federal Firearm License Act, records prepared by a licensee under this chapter of the sale or other disposition of firearms, including each firearms transaction record, and the corresponding record of receipt of such firearms, shall be retained at the business premises readily accessible for inspection under this chapter until the business is discontinued”; and

(B) by striking the second sentence;

(2) in paragraph (5)(A), by inserting “or electronically as may be” after “submit on a form”; and

(3) in paragraph (7), by inserting “, electronically,” after “orally”.

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

“(9)(A) Not later than 3 years after the date of enactment of this paragraph, the National Tracing Center of the Bureau of Alcohol, Tobacco, Firearms, and Explosives shall

establish and maintain electronic, searchable databases of all records regarding the importation, production, shipment, receipt, sale, or other disposition of firearms required to be submitted by licensees to the Attorney General under this chapter.

“(B) Each licensee under this chapter may provide the National Tracing Center with electronic access, consistent with the requirements of this paragraph, to all records within the possession of the licensee that are required to be kept under this chapter.

“(C) The National Tracing Center—

“(i) shall have remote access to query, search, or otherwise access the electronic databases described in subparagraph (A); and

“(ii) with the permission of a State, or political subdivision of a State, may query, search, or otherwise access the databases of the firearms registration system or pawnbroker records system of the State or political subdivision.

“(D) The National Tracing Center may query, search, or otherwise access the electronic databases described in subparagraph (A) only to obtain information related to any Federal, State, local, tribal, or foreign criminal investigation.

“(E) The electronic databases established under subparagraph (A)—

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

“(ii) shall not be electronically searchable by the personally identifiable information of any individual, without a warrant authorizing such a search; and

“(iii) shall include in search results the entire contents of the relevant records kept by the licensee.”.

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

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

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

“(B) retain records of the surveillance, including any sound recording obtained from the surveillance, for a period of not less than 90 days; and

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

(d) INCREASED PENALTIES FOR LICENSEE VIOLATIONS RELATING TO ACQUISITION AND DISPOSITION RECORDS.—Section 924(a)(3) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

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

(3) in the matter following clause (ii) (as so redesignated), by striking “one year” and inserting “5 years”;

(4) by inserting “(A)” after “(3)”;

(5) by adding at the end the following:

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

(e) ELIMINATION OF LIMITATION ON CENTRALIZING RECORDS.—Section 926(a) of title 18,

United States Code, is amended, in the matter following paragraph (3)—

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

(2) in the second sentence, by striking “Secretary’s” and inserting “Attorney General’s”.

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

“(e) FACILITATION OF ELECTRONIC RECORDKEEPING.—The Attorney General—

“(1) shall facilitate and incentivize the conversion to, and adoption of, electronic recordkeeping solutions by licensees that enable electronic completion and submission to the Attorney General of all records required to be maintained under this chapter;

“(2) shall facilitate—

“(A) digital capture of paper records of licensed dealers; and

“(B) the integration and indexing of data onto a platform accessible by law enforcement authorities for purposes of investigating a violent crime or crime gun trace;

“(3) shall facilitate, with respect to the electronic databases established under section 923(g)(9)(A)—

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

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

“(4) may not remotely access or search electronic records of licensed dealers without a warrant authorizing such a search.”.

#### SEC. 8. NOTIFICATION OF DEFAULT TRANSFERS.

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

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

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

(3) by adding at the end the following:

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

#### SEC. 9. MULTIPLE FIREARM SALES RECORDS AND REPORTS.

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

(1) in the first sentence, by striking “pistols, or revolvers, or any combination of pistols and revolvers” and inserting “pistols, revolvers, semiautomatic rifles or shotguns, or rifles or shotguns capable of accepting a high capacity magazine, or any combination of such weapons”; and

(2) by inserting after the first sentence the following: “In the preceding sentence, the term ‘high capacity magazine’ means a magazine capable of holding more than 10 rounds of ammunition, and includes a magazine that may be readily converted to hold more than 10 rounds of ammunition.”.

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

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

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

(3) by inserting before the period at the end the following: “solely for purposes related to discovering misuse or avoidance of the national instant criminal background check system or ensuring its proper operation”.

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

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting after subparagraph (A) the following:

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

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

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

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

(1) in the first sentence—

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

(B) by striking “, and shall destroy each such form and any record of the contents thereof no more than 20 days from the date such form is received” and inserting “and shall retain each such form and any record of the contents of the form for not less than 180 days after the date on which the form is received”; and

(2) by striking the second sentence.

#### **SEC. 10. SAFETY DEVICES AND WARNINGS TO PURCHASERS.**

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

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

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

(3) by adding at the end the following:

“(4) **WARNINGS TO PURCHASERS.**—

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

“(B) **MATERIALS.**—

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

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

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

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

#### **SEC. 11. INSPECTIONS.**

(a) **MANDATED ANNUAL INSPECTIONS OF HIGH-RISK LICENSED DEALERS AND QUINQUEN-**

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

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

(2) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and adjusting the margins accordingly;

(3) by inserting “(i)” after “(B)”;

(4) by adding at the end the following:

“(i)(I) The Attorney General—

“(aa) not less frequently than annually, shall inspect or examine the inventory, records, and business premises of each licensed dealer whom the Attorney General determines to be a high-risk dealer, based on considerations that include whether—

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

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

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

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

“(II) An attorney appointed under subclause (I)(bb) may, with respect to high-risk dealers, use in-store observation, monitor records, conduct random and repeated sales integrity tests, and design and offer instructional programs providing best practices sales training to all employees involved in firearm sales until the attorney certifies to the Attorney General that the high-risk dealer has complied with all applicable firearm sales laws for 3 consecutive years.

“(III) Not later than 180 days after the date on which an inspection or examination under subclause (I) reveals a violation of this section or any regulation prescribed under this chapter, and not later than 180 days after a security inspection conducted under paragraph (6)(B)(i) of this subsection, the Attorney General shall conduct an inspection or examination to determine whether the violation identified in the preceding inspection or examination has been cured.

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

(b) **ELIMINATION OF LIMIT ON INSPECTION OF LICENSEE RECORDS.**—Section

923(g)(1)(B)(i)(II) of title 18, United States Code, as redesignated by subsection (a), is amended—

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

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

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

(1) by inserting “(A)” after “(6)”;

(2) by adding at the end the following:

“(B)(i) If the Attorney General receives a report under subparagraph (A) from a licensed dealer, the Attorney General shall conduct an independent inspection of the security of the premises at which the theft occurred, which shall include an inspection of the measures taken to implement the security plan submitted by the licensed dealer under subsection (d)(1)(G)(ii).

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

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

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

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

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

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

(1) in subsection (c)—

(A) by inserting “(1)” before “Upon”;

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

(C) by adding at the end the following:

“(2) The Attorney General shall deny an application submitted under subsection (a) or (b) if the Attorney General determines that—

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

“(B) the applicant—

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

or

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

(2) in subsection (d)(1)—

(A) in the matter preceding subparagraph (A), by striking “shall” and inserting “or renewal thereof shall, subject to subsection (c)(2).”; and

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

(C) in subparagraph (F)—

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

(ii) by adding at the end the following:

“(iv) each employee employed in the business—

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

“(II) is not prohibited from being transferred a firearm, or transporting, shipping, or receiving firearms or ammunition, in interstate or foreign commerce by subsection (d), (g), or (n) (as applicable) of section 922 or by State, local, or Tribal law; and”.

(b) **AUTHORITY TO REVOKE OR SUSPEND LICENSES.**—Section 923 of title 18, United States Code, is amended—

(1) in subsection (e)—

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

(B) in the third sentence, by striking “Secretary’s” and inserting “Attorney General’s”; and

(2) in subsection (f)—

(A) in paragraph (1)—

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

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

(B) in paragraph (2)—

(i) by striking “, or revokes” and inserting “, revokes, or suspends”; and

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

(C) in paragraph (3)—

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

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

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

(d) **REPEAL OF RIDERS LIMITING USE OF FUNDS TO DENY LICENSES DUE TO LACK OF BUSINESS ACTIVITY.**—

(1) **FISCAL YEAR 2013.**—The matter under the heading “SALARIES AND EXPENSES” under the

heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2013 (18 U.S.C. 923 note; Public Law 113–6; 127 Stat. 247) is amended by striking the sixth proviso.

(2) FISCAL YEAR 2012.—The matter under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2012 (Public Law 112–55; 125 Stat. 609) is amended by striking the ninth proviso.

#### SEC. 13. INCREASED LICENSING FEES.

(a) FEES FOR LICENSED IMPORTERS, MANUFACTURERS, AND DEALERS IN FIREARMS AND IMPORTERS AND MANUFACTURERS OF AMMUNITION.—Section 923(a) of title 18, United States Code, is amended—

- (1) in paragraph (1)—
  - (A) in subparagraph (A), by striking “\$1,000” and inserting “\$2,000”;
  - (B) in subparagraph (B), by striking “\$50” and inserting “\$100”;
  - (C) in subparagraph (C), by striking “\$10” and inserting “\$20”;
- (2) in paragraph (2)—
  - (A) in subparagraph (A), by striking “\$1,000” and inserting “\$2,000”;
  - (B) in subparagraph (B), by striking “\$50” and inserting “\$100”;
- (3) in paragraph (3)—
  - (A) in subparagraph (A), by striking “\$1,000” and inserting “\$2,000”;
  - (B) in subparagraph (B)—
    - (i) by striking “\$200” and inserting “\$400”;
    - (ii) by striking “\$90” and inserting “\$180”.

#### SEC. 14. ELIMINATION OF OBLIGATORY STAY OF EFFECTIVE DATE OF LICENSE REVOCATION.

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

#### SEC. 15. ELIMINATION OF RELIEF FOR DEALERS INDICTED FOR A CRIME PUNISHABLE BY IMPRISONMENT FOR A TERM EXCEEDING ONE YEAR.

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

- (1) by striking subsection (b); and
  - (2) by redesignating subsections (c) through (f) as subsections (b) through (e), respectively.
- (b) CONFORMING AMENDMENTS.—
- (1) CHAPTER 44 OF TITLE 18, UNITED STATES CODE.—Chapter 44 of title 18, United States Code, is amended—
    - (A) in section 922—
      - (i) in subsection (d), in the second sentence—
        - (I) by striking “licensed importer, licensed manufacturer, licensed dealer, or licensed collector who pursuant to subsection (b) of section 925 is not precluded from dealing in firearms or ammunition, or to a”; and
        - (II) by striking “subsection (c) of section 925” and inserting “section 925(b)”;
        - (ii) in subsection (1), by striking “925(d) of this chapter” and inserting “925(c)”;
        - (iii) in subsection (r), by striking “925(d)(3) of this chapter” and inserting “925(c)(3)”;
      - (B) in section 925(f), by striking “subsection (d)” and inserting “subsection (c)”.
    - (2) FOREIGN MILITARY SALES ACT.—Section 38(b)(1)(B)(i) of the Foreign Military Sales Act (22 U.S.C. 2778(b)(1)(B)(i)) is amended by striking “925(e)” and inserting “925(d)”.
    - (3) NICS IMPROVEMENT AMENDMENTS ACT OF 2007.—Section 101(c)(2)(A)(iii) of the NICS Im-

provement Amendments Act of 2007 (34 U.S.C. 40911(c)(2)(A)(iii)) is amended by striking “925(c)” and inserting “925(b)”.

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

#### SEC. 16. ELIMINATION OF RELIEF WHILE FEDERAL DISABILITY RELIEF APPLICATION PENDING.

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

#### SEC. 17. PRESUMPTION OF KNOWLEDGE OF STATE LAW IN SALE OF LONG GUNS TO RESIDENTS OF ANOTHER STATE.

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

#### SEC. 18. INCREASED PENALTIES FOR KNOWING TRANSFER OF FIREARM WITHOUT CONDUCTING A BACKGROUND CHECK.

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

#### SEC. 19. UNLAWFUL ACTS UPON INCURRING FEDERAL DISABILITY OR NOTICE OF LICENSE SUSPENSION, REVOCATION, OR DENIED RENEWAL.

(a) RESTRICTIONS.—Section 922 of title 18, United States Code, is amended by adding at the end the following:

“(aa) UNLAWFUL ACTS UPON INCURRING FEDERAL DISABILITY OR NOTICE OF LICENSE SUSPENSION, REVOCATION OR DENIED RENEWAL.—

“(1) IN GENERAL.—It shall be unlawful for a licensed importer, licensed manufacturer, licensed dealer, licensed collector, or licensed facilitator who incurs a disability imposed by Federal laws with respect to the acquisition, receipt, transfer, shipment, transportation, or possession of firearms or ammunition during the term of a license issued under this chapter or while an application to renew such a license is pending, or who has been notified by the Attorney General that a license issued to the licensee under this chapter has been suspended or revoked or that an application of the licensee to renew such a license has been denied, to—

“(A) transfer a business inventory firearm—

- “(i) into the personal collection of the licensee; or
- “(ii) to any person other than a licensee under this chapter or a Federal, State, or local law enforcement agency; or

“(B) receive a business inventory firearm.

“(2) WAIVER.—Upon a showing by a licensee of good cause, the Attorney General may issue a written waiver of paragraph (1) if the licensee authorizes the Attorney General to inspect the records and inventory of the licensee at any time to ensure that the licensee is in compliance with this chapter.”.

(b) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

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

(c) NOTICE REQUIREMENT.—Section 923(f)(1) of title 18, United States Code, is amended, in the first sentence, by inserting before the

period at the end the following: “and setting forth the provisions of Federal law and regulation that prohibit a person not licensed under this chapter from engaging in the business of dealing in firearms and the restrictions set forth in section 922(aa)”.

#### SEC. 20. REGULATION OF FACILITATORS OF FIREARM TRANSFERS.

(a) LICENSING.—Section 923(a) of title 18, United States Code, is amended by adding at the end the following:

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

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

“(n) DUTIES OF FACILITATORS.—

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

“(A) inform each prospective seller using the commercial marketplace of the licensed facilitator that any offer for firearm sales, purchases, or other transfers made using the commercial marketplace may be completed only with the assistance of a licensed importer, licensed manufacturer, or licensed dealer, who must take possession of the firearm directly from the transferor for the purpose of complying with section 922(t);

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

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

- “(i) the date of the offer;
- “(ii) the name of the offeror;
- “(iii) the name and the licensee number of the licensee that will take possession of the firearm directly from the transferor; and
- “(iv) the model, serial number, type, and caliber or gauge of the firearm involved.

“(2) ADVANCE IDENTIFICATION OF LICENSED DEALER.—A licensed facilitator may require a prospective seller, as a condition of using the commercial marketplace of the licensed facilitator, to, before offering a firearm for sale, identify a licensed dealer that will take possession of the firearm and complete the sale.

“(3) LICENSEE COMPLIANCE.—On taking possession of a firearm sold, purchased, or otherwise transferred in a commercial marketplace of a licensed facilitator, a licensee shall comply with all requirements of this chapter as if the licensee were transferring the firearm from the inventory of the licensee to the unlicensed transferee.”.

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

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

(2) by adding at the end the following:

“(2) Whoever, having accepted an offer to transfer ownership of a firearm using a commercial marketplace of a licensed facilitator in order to complete a firearm transaction as described in subsection (n)(1), knowingly transfers the firearm to a person not licensed under this chapter without a licensed importer, licensed manufacturer, or licensed dealer first taking possession of the firearm for the purpose of complying with section 922(t)—

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

“(B) if transfer of the firearm to, or receipt of the firearm by, the transferee violates subsection (d), (g), or (n) of section 922, or the firearm is used to commit a crime of violence (as defined in section (c)(3) of this section) or drug trafficking crime (as defined in subsection (c)(2) of this section), shall be



fined under this title, imprisoned not more than 10 years, or both.”.

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

(1) in section 922—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking “or” at the end;

(II) in subparagraph (B), by adding “or” at the end; and

(III) by adding at the end the following:

“(C) except a licensed facilitator, to engage in the business of hosting a commercial marketplace in which offers for firearm sales, purchases, or other transfers are allowed to be made;”;

(ii) in paragraph (6)—

(I) by striking “or licensed collector” and inserting “licensed collector, or licensed facilitator”; and

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

(B) in subsection (m), by striking “or licensed collector” and inserting “licensed collector, or licensed facilitator”;

(2) in section 923—

(A) in subsection (c)(1), as so designated by section 12 of this Act, in the first sentence, by inserting “or facilitate firearm sales, purchases, or other transfers” before “during the period stated in the license”;

(B) in subsection (g)(1)(A)—

(i) in the first sentence, by striking “and licensed dealer” and inserting “licensed dealer, and licensed facilitator”; and

(ii) in the last sentence, by inserting “licensed facilitator,” before “or any licensed importer”; and

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

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

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

(B) in subparagraph (B), by striking “or licensed collector” and inserting “licensed collector, or licensed facilitator”.

## SEC. 21. DEALER AND EMPLOYEE BACKGROUND CHECKS.

(a) REQUIREMENTS.—

(1) BACKGROUND CHECKS REQUIRED BEFORE ISSUANCE OR RENEWAL OF DEALERS LICENSE.—Section 923(c)(1) of title 18, United States Code, as so designated by section 12 of this Act, is amended by inserting after the first sentence the following: “Notwithstanding the preceding sentence, the Attorney General may not issue or renew a license unless the Attorney General has contacted the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act (34 U.S.C. 40901) to determine whether it would be unlawful for the applicant, or any employee of the applicant identified by the applicant on the application as trusted with the possession or receipt of any firearm, to be transferred or receive a firearm, and the system has notified the Attorney General that the information available to the system does not demonstrate that the transfer to or receipt of a firearm by the applicant or any such employee would violate subsection (d), (g), or (n) (as applicable) of section 922 or State, local, or Tribal law where the business premises of the applicant subject to the license is located.”.

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

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

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

“(B) the licensed dealer has contacted the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act (34 U.S.C. 40901) to determine whether transfer of a firearm to, or receipt of a firearm by, the individual would be unlawful; and

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

(b) AUTHORITY OF NICS SYSTEM TO RESPOND TO LICENSED DEALER REQUEST FOR CRIMINAL BACKGROUND CHECK OF EMPLOYEE OR APPLICANT FOR EMPLOYMENT.—Section 103(b)(2) of the Brady Handgun Violence Prevention Act (34 U.S.C. 40901(b)(2)) is amended—

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

(2) in subparagraph (A), by striking “voluntarily”.

(c) AUTHORITY OF NICS SYSTEM TO SEARCH NATIONAL DATA EXCHANGE.—Section 103(e)(1) of the Brady Handgun Violence Prevention Act (34 U.S.C. 40901(e)(1)) is amended by adding at the end the following:

“(L) SEARCH OF NATIONAL DATA EXCHANGE DATABASE.—The system established under this section shall include a search of the database of the National Data Exchange when conducting a background check under this section.”.

## SEC. 22. LIABILITY STANDARDS.

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

(1) in subsection (d)(1)(D), by striking “willfully” and inserting “knowingly”; and

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

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

(1) in subsection (a)(1)(D), by striking “willfully” and inserting “knowingly”; and

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

## SEC. 23. CIVIL ENFORCEMENT.

(a) FINES FOR ENGAGING IN THE BUSINESS WITHOUT A LICENSE.—Section 924(n) of title 18, United States Code, is amended—

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

(2) by adding at the end the following:

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

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

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

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

“(q) PENALTIES RELATING TO VIOLATIONS OF REGULATIONS BY LICENSED DEALERS.—

“(1) IN GENERAL.—If the Attorney General finds a licensed dealer to be in violation of a regulation prescribed under section 926, the Attorney General shall—

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

“(i) in the case of the first such violation by the licensed dealer, if not preceded by a violation to which subparagraph (B) applies, transmit to the licensed dealer a written notice specifying the violation, which shall include a copy of the regulation violated;

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

“(iii) in the case of the third such violation by the licensed dealer, if not preceded by a violation to which subparagraph (B) applies, suspend the license to deal in firearms issued to the licensed dealer under this chapter until the violation ceases;

“(iv) in the case of the fourth such violation by the licensed dealer, whether or not preceded by a violation to which subparagraph (B) applies, revoke the license; or

“(v) in the case of any such violation by the licensed dealer, if preceded by a violation to which subparagraph (B) applies, apply the penalty authorized under this subsection that is 1 level greater in severity than the level of severity of the penalty most recently applied to the licensed dealer under this subsection; or

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

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

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

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

“(II) suspend the license to deal in firearms issued to the licensed dealer under this chapter until the violation ceases; or

“(iii) in the case of the third such violation by the licensed dealer, revoke the license to deal in firearms issued to the licensed dealer under this chapter.

(2) SUSPENSION OF LICENSE.—In the case of any violation described in paragraph (1), if the Attorney General finds that the nature of the violation indicates that the continued operation of a firearms business by the licensed dealer presents an imminent risk to public safety, the Attorney General shall, notwithstanding paragraph (1), immediately suspend the license to deal in firearms issued to the licensed dealer under this chapter and secure the firearms inventory of the licensed dealer, until the violation ceases, unless the appropriate penalty under paragraph (1) is revocation of the license, in which case the Attorney General shall immediately revoke the license and secure the firearms inventory of the licensed dealer.”.

## SEC. 24. REMOVAL OF BAR ON CIVIL PROCEEDINGS IF CRIMINAL PROCEEDINGS TERMINATED.

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

## SEC. 25. REPEAL OF CERTAIN LIMITATIONS.

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

(1) FISCAL YEAR 2012.—The matter under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated and Further Continuing Appropriations Act, 2012 (18 U.S.C. 923 note; Public Law 112-55; 125 Stat. 609) is amended by striking the sixth proviso.

(2) FISCAL YEAR 2010.—The sixth proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Consolidated Appropriations Act, 2010 (Public Law 111-117; 123 Stat. 3128) is amended by striking “beginning in

fiscal year 2010 and thereafter” and inserting “in fiscal year 2010”.

(3) FISCAL YEAR 2009.—The sixth proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title II of division B of the Omnibus Appropriations Act, 2009 (Public Law 111–8; 123 Stat. 575) is amended by striking “beginning in fiscal year 2009 and thereafter” and inserting “in fiscal year 2009”.

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

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

(6) FISCAL YEAR 2005.—The sixth proviso under the heading “SALARIES AND EXPENSES” under the heading “BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES” in title I of division B of the Consolidated Appropriations Act, 2005 (Public Law 108–447; 118 Stat. 2859) is amended by striking “with respect to any fiscal year”.

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

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

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

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

(2) by striking the semicolon and all that follows and inserting a period.

**SEC. 26. AUTHORITY TO HIRE ADDITIONAL INDUSTRY OPERATION INVESTIGATORS FOR BUREAU OF ALCOHOL, TOBACCO, FIREARMS, AND EXPLOSIVES.**

The Attorney General may hire 650 industry operation investigators for the Bureau of Alcohol, Tobacco, Firearms, and Explosives, to be distributed among the various field divisions to match the number and distribution of persons licensed under chapter 44 of title 18, United States Code, in addition to any personnel needed to carry out this Act and the amendments made by this Act and any industry operation investigators authorized by other law.

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

Not later than 2 years after the date of enactment of this Act, the Attorney General shall submit to Congress and publish on the website of the Department of Justice a written report on the implementation of this Act and the amendments made by this Act, including any steps needed to complete the im-

plementation, which shall identify any additional resources that are required to—

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

(2) ensure that this Act and the amendments made by this Act are enforced against noncompliant federally licensed firearms dealers in a timely manner.

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

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

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

(2) the preceding year, in the case of each subsequent report.

(b) CONTENTS.—Each report under subsection (a) shall state, with respect to the applicable reporting period—

(1) the number of inspections or examinations conducted of Type 01, Type 02, and Type 07 Federal firearm licensees (dealers, pawnbrokers, and manufacturers, respectively) by each field division of the Bureau of Alcohol, Tobacco, Firearms, and Explosives, including by the number of inspections or examinations of high-risk dealers and non-high-risk dealers (as those terms are used in clause (ii) of section 923(g)(1)(B) of title 18, United States Code, as added by section 11 of this Act);

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

(3) the average amount of time spent on—

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

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

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

(D) follow-up security inspections (as described in paragraph (2)); and

(4) an analysis of the most frequently cited violations and corrective actions or penalties imposed in each inspection or examination described in paragraph (1) or security inspection described in paragraph (2), including—

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

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

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

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

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

**SEC. 29. DEADLINE FOR ISSUANCE OF FINAL REGULATIONS.**

Not later than 2 years after the date of enactment of this Act, the Attorney General shall prescribe all regulations required to carry out this Act and the amendments made by this Act.

**SUBMITTED RESOLUTIONS**

**SENATE RESOLUTION 763—DESIGNATING JULY 2024 AS “PLASTIC POLLUTION ACTION MONTH”**

Mr. MERKLEY (for himself, Mr. WHITEHOUSE, Ms. DUCKWORTH, Mr. WELCH, Mr. VAN HOLLEN, and Mr. BOOKER) submitted the following resolution; which was referred to the Committee on the Judiciary:

Whereas plastic pollution represents a global threat that will require individual and collective action, both nationally and internationally, to address;

Whereas approximately 450,000,000 tons of plastic is produced each year, a number that is projected to triple by 2050;

Whereas, in the United States—

(1) the rate of plastic waste recycling decreased in 2021 to between 4 and 6 percent; and

(2) less than 3 percent of plastic waste is recycled into a similar quality product;

Whereas a study from the Organization for Economic Cooperation and Development found that, in 2022, the United States—

(1) mismanaged 4 percent of plastic waste;

(2) landfilled 73 percent of plastic waste;

(3) incinerated 19 percent of plastic waste; and

(4) recycled 4 percent of plastic waste;

Whereas single-use plastics account for not less than 40 percent of the plastic produced every year;

Whereas more than 12,000,000 tons of plastic waste enter the ocean every year from land-based sources alone;

Whereas, if no action is taken, the flow of plastics into the ocean is expected to triple by 2040;

Whereas, as of the date of adoption of this resolution, studies estimate that there are approximately 171,000,000,000,000 pieces of plastic in the oceans of the world;

Whereas, of those 171,000,000,000,000 pieces of plastic in the ocean, 1 percent floats, 5 percent washes up on beaches, and 94 percent sinks to the bottom;

Whereas nearly 1,300 marine species have consumed plastics;

Whereas plastics, and associated chemicals of plastics, are ingested by humans and are associated with well-established human health risks;

Whereas studies have found microplastic particles in human blood, lungs, colons, and placentas;

Whereas studies suggest that humans ingest more than 800 microplastics per day;

Whereas taking action to reduce plastic use, collect and clean up litter, and reuse and recycle more plastics will lead to less plastic pollution;

Whereas, every July, people challenge themselves to reduce their plastic footprint through “Plastics Free July”;

Whereas, during the 40-year period preceding the date of adoption of this resolution, more than 17,000,000 volunteers have joined the International Coastal Cleanup to collect more than 350,000,000 pounds of plastic and debris while simultaneously recording their findings to inform research and upstream action;

Whereas switching to reusable items instead of single-use items can prevent waste, save water, and reduce litter; and

Whereas July 2024 is an appropriate month to designate as Plastic Pollution Action Month to recommit to taking action, individually and as a country, to reduce plastic pollution: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates July 2024 as “Plastic Pollution Action Month”;