HB 3076-1
(LC 810)
3/19/25 (JLM/ps)

Requested by Representative KROPF

PROPOSED AMENDMENTS TO HOUSE BILL 3076

In line 2 of the printed bill, after "licenses" insert "; and declaring an emergency".

Delete lines 4 through 9 and insert:

"SECTION 1. As used in sections 1 to 9 of this 2025 Act:

"(1)(a) 'Dealer' means a person or business engaged in the wholesale or retail business of selling firearms, frames, receivers or unfinished frames or receivers, and who has, or who is required under federal law to have, a federal firearms license under 18 U.S.C. 923(a).

"(b) 'Dealer' does not include:

"(A) A person or business that sells, on average, 10 or fewer firearms, frames, receivers or unfinished frames or receivers, within any 12-month period that the person or business has engaged in such sales; or

"(B) An infrequent seller.

"(2) 'Department' means the Department of Justice.

"(3) 'Federal firearms license' means a license to import, manufacture or deal in firearms issued pursuant to 18 U.S.C. 923.

"(4) 'Firearm' has the meaning given that term in ORS 166.210.

"(5) 'Frame' has the meaning given that term in ORS 166.210.

"(6) 'Infrequent seller' means a person who:

"(a) Sells the person's firearm or firearms to a dealer because the

person has recently become prohibited from possessing or purchasing a firearm and is complying with the prohibition; or

"(b) Sells the person's firearm or firearms to a dealer after acquiring the firearm or firearms as part of an inheritance, if the sales are completed within five transactions and the total number of firearms sold does not exceed 30.

"(7) 'Receiver' has the meaning given that term in ORS 166.210.

"(8) 'Retailer' means a dealer who operates a store open to the public from which the dealer engages in the business of selling, transferring or facilitating the sale or transfer of firearms.

"(9) 'State license' means the state firearms dealer license issued under sections 2 and 3 of this 2025 Act.

"(10) 'Unfinished frame or receiver' has the meaning given that term in ORS 166.210.

"<u>SECTION 2.</u> (1) Beginning July 1, 2026, a state license is required for all dealers to sell firearms, frames, receivers and unfinished frames and receivers in this state.

"(2) The Department of Justice shall issue state firearms dealer licenses in accordance with this section and section 3 of this 2025 Act.

"(3)(a) The department shall adopt rules necessary for the implementation of this section and section 3 of this 2025 Act, including rules establishing the process for applying for and obtaining a state license.

"(b) The department may not adopt a rule that modifies the eligibility criteria for obtaining a state license under this section and section 3 of this 2025 Act, but the rules may authorize the collection of any information the department deems necessary to verify an applicant's eligibility.

"(4) The department shall develop an application form for initial state license applications and state license renewals.

"(5)(a) The department is authorized to establish and collect a state

license application fee, based on the department's actual costs, to reasonably reimburse the department for adopting rules under this section related to processing state license applications, issuing state licenses and conducting inspections under section 4 of this 2025 Act.

"(b) The department may establish a reduced fee for state license renewal applications.

"(c) The department shall deposit all fees collected under this section into the Firearm Dealer License Fund established by section 10 of this 2025 Act.

"(6)(a) For state licenses issued before July 1, 2026, the fee for both the initial issuance and renewal of the license shall be based upon the average annual firearm sales of the dealer during the prior three years or, if the dealer has not been in business for three years, based upon the average annual firearm sales over the time the dealer has been in business, as follows:

"(A) $50 for the sale of 11 to 50 firearms per year.

"(B) $250 for the sale of 51 to 250 firearms per year.

"(C) $500 for the sale of 251 to 750 firearms per year.

"(D) $1,000 for the sale of 751 to 1,000 firearms per year.

"(E) $1,500 for the sale of 1,001 or more firearms per year.

"(b) The department shall annually review the fees described in this subsection and, for licenses issued or renewed on and after July 1, 2026, may annually adjust the fee based on the costs of carrying out the provisions of this section. The department may not adjust any fee more than once per year and may not adjust any fee by more than 20 percent per year.

"(c) The department shall ensure that the current fees for the initial issuance and renewal of state licenses are published on the department's website.

"<u>SECTION 3.</u> (1) A person is eligible for a state firearms dealer li-

cense if the person:

"(a) Currently holds and is eligible for a valid federal firearms license;

"(b) Has never had a permit or license to sell, lease, transfer, purchase or possess a firearm or ammunition from the federal government, any state or any subdivision of a state revoked, suspended or denied for good cause within the five years prior to submitting an application;

"(c) Has not been convicted of violating any federal or state law concerning the possession, purchase or sale of firearms within the 10 years prior to submitting an application; and

"(d) Provides proof of residence in Oregon and the physical address of the place where business will be conducted.

"(2) A person applying for or renewing a state license under this section shall complete a Department of Justice application and pay the fee established by the department under section 2 of this 2025 Act.

"(3)(a) The department shall make a determination on a state license application within 60 days after the application is received.

"(b) Notwithstanding paragraph (a) of this subsection, the department may for good cause extend the determination time period by an additional 60 days.

"(4) The department shall issue a state license to an applicant unless the applicant does not meet the eligibility requirements described in subsection (1) of this section or the applicant makes a false statement on the application.

"(5) A state license issued under this section is valid for three years and is not transferable.

"(6)(a) A licensee may apply for renewal of a state license at any time within the 90 days prior to expiration of the state license. The department may not accept a renewal application after the state li-

cense has expired.

"(b) The department shall notify a licensee of the state license expiration date 90 days prior to the expiration.

"(c) Notwithstanding subsection (1) of this section, a licensee who submits a timely and sufficiently complete renewal application may continue to engage in the business of dealing in firearms until the department has made a determination on the renewal application. For purposes of this subsection, an application is sufficiently completed if the application includes all information necessary to make a determination that the applicant is eligible for state license renewal and the licensee has not made any false statements on the application.

"(d) The department shall make a determination on a state license renewal application within 60 days after the renewal application is received.

"(7) The decision by the department to refuse to issue or renew a state license under this section may be appealed as a contested case under ORS chapter 183.

"<u>SECTION 4.</u> (1) The Department of Justice shall annually conduct an on-site inspection of each state license holder's place of business to ensure that the licensee is complying with the requirements to hold a state license described in sections 5a and 6 of this 2025 Act.

"(2) The department may conduct reasonable periodic unannounced inspections of a licensee's place of business, during the dealer's regular business hours, to ensure that the licensee is complying with the state license requirements described in sections 5a and 6 of this 2025 Act.

"(3) The department shall adopt rules concerning the notice requirements and frequency and scope of inspections conducted under this section.

"<u>SECTION 5.</u> (1) Except as provided in subsection (2) of this section,

if the Department of Justice determines that a licensee transferred a firearm in violation of ORS 166.400, failed to comply with any of the requirements of sections 5a or 6 of this 2025 Act, or violated any other state, federal or local law for which the penalty includes revocation of the licensee's federal firearm license, the department may:

"(a) For a first offense, issue a warning to the licensee that includes a description of the offense and the penalty for subsequent offenses, or impose a civil penalty of up to $5,000 per violation.

"(b) For a second or subsequent offense, suspend or revoke the licensee's state license, issue a warning or impose a civil penalty of up to $5,000 per violation.

"(2)(a) The department shall revoke a state license if the licensee:

"(A) No longer holds a valid federal firearms license;

"(B) Knowingly employs a person in violation of section 5a of this 2025 Act;

"(C) Is prohibited from possessing or purchasing firearms under federal or state law;

"(D) Is no longer a resident of this state; or

"(E) Is convicted of any of the following:

"(i) A felony under state or federal law;

"(ii) A state or federal crime that results in the licensee being prohibited from purchasing or possessing a firearm or ammunition;

"(iii) A crime containing as an element purchasing or otherwise obtaining a firearm on behalf of, or for transfer to, a person who cannot lawfully purchase or possess a firearm;

"(iv) A conviction under ORS 166.412 (14) or 166.418;

"(v) Providing false information in connection with a transfer of a firearm under ORS 166.416; or

"(vi) Trafficking in firearms under 18 U.S.C. 933.

"(b) A dealer whose state license is revoked solely because the

dealer no longer holds a valid federal firearms license under paragraph (a)(A) of this subsection may apply for a new state license any time after the person obtains a valid federal firearms license.

"(c) A licensee whose state license is revoked under paragraph (a)(B) to (E) of this subsection may apply for a new state license no sooner than five years after the revocation.

"(3) The department may revoke a state license if the licensee unreasonably refuses to allow the department to conduct an on-site inspection pursuant to section 4 of this 2025 Act.

"(4)(a) If the department determines that a licensee violated state or federal law related to the possession, sale or purchase of firearms, the department:

"(A) For a first offense, shall issue a warning to the licensee that includes a description of the violation.

"(B) For a second or subsequent offense, may revoke the licensee's state license.

"(b) A licensee whose state license is revoked under this subsection may apply for a new state license no sooner than three years after the revocation.

"(5) If the department revokes a state license under this section, the department shall notify the Bureau of Alcohol, Tobacco, Firearms and Explosives of the revocation within 48 hours of the revocation becoming effective. The notification shall occur by both phone call and a subsequent letter documenting the reason for the revocation and describing what action will be taken concerning the licensee's inventory and records.

"(6)(a) Civil penalties under subsection (1) of this section shall be imposed in the manner provided by ORS 183.745.

"(b) All penalties recovered under subsection (1) of this section shall be deposited into the Firearm Dealer License Fund established under

section 10 of this 2025 Act.

"(7) A decision by the department to revoke or suspend a state license under this section may be appealed as a contested case under ORS chapter 183.

"(8) The department shall adopt rules concerning the specific violations and corresponding penalties described in this section.

"<u>SECTION 5a.</u> (1)(a) The Department of Justice shall develop a training course, or approve training courses provided by other entities, for licensees and persons who are employed by, volunteer for or contract with licensees. The training must be available in an online format and include an examination with at least 20 questions derived from the course material intended to confirm that a course participant understands the information covered in the course. The department, or an entity providing the training, shall give a participant who answers at least 70 percent of the examination questions correctly a printable certificate of completion that is valid for one year.

"(b) The training described in this subsection must include instruction on the following subjects:

"(A) Federal and state laws governing the sale and transfer of firearms and ammunition;

"(B) Recognizing and identifying straw purchasers, firearm trafficking and fraudulent activity;

"(C) Recognizing and identifying indicators that a person is attempting to purchase a firearm unlawfully;

"(D) Recognizing and identifying indicators that an individual intends to use a firearm for unlawful purposes or self-harm;

"(E) Preventing theft or burglary of firearms and ammunition;

"(F) Responding to circumstances described in subparagraphs (A) to (E) of this paragraph, and any applicable reporting requirements;

"(G) Effectively teaching consumers the rules of firearm safety,

including the safe handling and storage of firearms; and

"(H) Any other reasonable business practices that the department determines will deter firearm trafficking or the unlawful use of firearms.

"(c) A licensee shall, within 30 days after the date of being issued a state license under sections 2 and 3 of this 2025 Act, complete the training course described in paragraph (a) of this subsection, and annually thereafter so long as the licensee holds the state license.

"(d) An employee, volunteer or contractor of a licensee who, in the course of the person's duties, handles a firearm or ammunition or processes the sale, loan or other transfer of a firearm or ammunition shall, within 30 days after the first day of work for the licensee, or within 30 days after the licensee is issued a state license, complete the training course described in paragraph (a) of this subsection.

"(e) An employee, volunteer or contractor of a licensee required to complete an initial training course under this subsection is also required to annually thereafter complete the training course while employed by, volunteering for or contracting with the licensee.

"(f) A licensee shall maintain the training records of the licensee and each employee, volunteer or contractor of the licensee, and shall make the records available to the department during an on-site inspection of the licensee's place of business conducted pursuant to section 4 of this 2025 Act.

"(2)(a) For an employee, volunteer or contract position that, in the course of the person's duties, involves handling, selling, transferring or otherwise having access to firearms, a licensee may not allow a person to occupy the position who:

"(A) Is prohibited from possessing or purchasing firearms under state or federal law;

"(B) Has been convicted of an offense described in ORS 166.250 or

166.470 (1), or a violent felony as defined in ORS 147.500, within five years prior to the date the person applies to work for the licensee; or

"(C) Has had the person's own state license revoked within the previous 10 years.

"(b) In order to determine whether a licensee may allow a person to be employed or work as a volunteer or contractor consistent with this subsection, the licensee shall require the person to submit to a criminal history record check as described in subsection (3) of this section. A licensee shall only accept the results of a criminal history record check completed within seven days prior to the person's first day of work.

"(3)(a) Before a person begins employment for, volunteers for or contracts with a licensee, the person shall submit to a fingerprint-based criminal history record check.

"(b) The person shall have the person's fingerprints taken by a local law enforcement agency or any third party approved by the Department of State Police for the purpose of obtaining a fingerprint-based criminal history record check. The person shall authorize the entity taking the fingerprints to submit, and the entity shall submit, the complete set of fingerprints to the Department of State Police.

"(c) If an approved third party obtains the fingerprints, the fingerprints may be electronically captured using equipment approved by the Department of State Police.

"(d) The Department of State Police shall first use the person's fingerprints to conduct a criminal history record check using the records of the Department of State Police. If authorized by federal law, the Department of State Police shall then forward the fingerprints to the Federal Bureau of Investigation for the purpose of conducting a fingerprint-based criminal history record check. The Department of State Police, the Department of Justice, the person and the entity that

obtained the fingerprints shall comply with the Federal Bureau of Investigation's requirements to conduct a criminal history record check.

"(e) The Department of State Police shall return the results of the criminal history record check to the Department of Justice, and the Department of Justice is authorized to receive the results of the Federal Bureau of Investigation's criminal history record check. The department shall use the information resulting from the criminal history record check to investigate and determine whether a person is qualified for employment under this subsection, and shall notify the licensee of the results of the investigation.

"(f) If the Federal Bureau of Investigation is unable to complete a fingerprint-based criminal history record check of a person, the Department of State Police shall inform the Department of Justice, and the Department of State Police may use the criminal history record check of the person conducted using the records of the Department of State Police as a substitute.

"(g) If the results of a criminal history record check performed under this subsection reveal a record of arrest without a disposition, the Department of Justice shall require the person to submit to a name-based judicial record check.

"(h) An employee, volunteer or contractor of a licensee shall annually submit to a fingerprint-based criminal history record check as described in this subsection.

"(i) A licensee shall maintain a copy of the notice following each criminal history record check conducted under this subsection indicating that a person is qualified for employment, volunteering or contracting. The licensee shall maintain a copy of the notice for the duration of the person's employment, or during the time period that the person volunteers for or contracts with the licensee, and shall

make the notice available to the department during an on-site inspection of the licensee's place of business.

"(4) If a licensee knows or has reason to believe an employee, volunteer or contractor is involved in the theft of a firearm from the licensee's place of business, the licensee shall report the theft within 48 hours after having knowledge of the theft, or reason to believe a theft occurred, to a law enforcement agency with jurisdiction over the licensee's place of business.

"(5) The department may adopt rules necessary to carry out the provisions of this section.

"SECTION 6. (1) A retailer licensee may not conduct business or store firearms or ammunition at the licensee's place of business unless:

"(a) At all times that the retailer is open for business, each firearm located within or on the retailer's premises is unloaded, inaccessible to the public and secured using one of the following methods, except in circumstances when the firearm is in the immediate presence of and under the direct supervision of an employee of the retailer:

"(A) Secured within a locked case so that a customer seeking access to the firearm must ask an employee for assistance;

"(B) Secured behind a counter where only the retailer and employees of the retailer are allowed. During the absence of the retailer or employee from the counter, the counter must be secured with a locked, impenetrable barrier that extends from the floor or top of the counter to the ceiling; or

"(C) Secured with a hardened steel rod or cable that is at least one-fourth inch in diameter through the trigger guard of the firearm. The steel rod or cable must be secured with a hardened steel lock that has a shackle. The lock and shackle must be protected or shielded from the use of bolt cutters or a similar tool and the rod or cable must

be anchored in a manner that prevents the removal of the firearm from the premises. No more than five firearms may be affixed to any single rod or cable at any time.

"(b) At all times the retailer is open for business, all ammunition is stored so that the ammunition is inaccessible to the public and secured as described in paragraph (a)(A) or (B) of this subsection.

"(c) At least one of the following features designed to prevent unauthorized entry is installed on each door of the retailer's place of business:

"(A) A steel security door without a window that is equipped with both a deadbolt and a doorknob lock. The deadbolt must have a minimum bolt diameter of two inches and must enter a reinforced door frame or stud at a minimum depth of two inches;

"(B) A metal door with a window equipped with both a deadbolt and a doorknob lock. If the window has an opening of five inches or more measured in any direction, the window must be covered with either steel bars of at least one-half inch diameter or metal mesh of at least nine gauge, affixed to the exterior or interior of the door;

"(C) A metal grate that is padlocked and affixed to the retailer's premises independent of the door and door frame; or

"(D) Another physical barrier approved by the Department of Justice by rule.

"(d) At least one of the following features designed to prevent unauthorized entry is installed on each window of the retailer's place of business:

"(A) A steel security mesh window designed to prevent access through the window if the glass is removed. The window must be reinforced into the window's frame by at least two studs or bolts of at least two inches in length on each side of the frame or in each stud;

"(B) A metal grate that is padlocked and affixed to the retailer's

premises independent of the window or window frame; or

"(C) Another physical barrier approved by the department by rule.

"(2) At any time that a retailer licensee is not open for business, each firearm must be stored in one of the following ways:

"(a) In a locked fireproof safe or vault located on the retailer's business premises that meets the rating standards for a residential security container of Underwriters Laboratories or another nationally recognized testing laboratory; or

"(b) Secured with a hardened steel rod or cable that is at least one-fourth inch in diameter through the trigger guard of the firearm. The steel rod or cable must be secured with a hardened steel lock that has a shackle. The lock and shackle must be protected or shielded from the use of bolt cutters or a similar tool and the rod or cable must be anchored in a manner that prevents the removal of the firearm from the premises. No more than five firearms may be affixed to any single rod or cable at any time.

"(3) A licensee may not sell or store firearms at the licensee's place of business, or any place that firearms are sold or otherwise transferred, unless:

"(a) The interior of the location has lighting that is sufficient to identify the characteristics of a person on surveillance video; and

"(b) The location is equipped with a security alarm system that includes video and audio surveillance of each door and any area of the business in which firearms are kept. The alarm system must activate upon unauthorized entry or interruption to the system and must be directly connected to a local law enforcement agency or be continuously monitored by a central station. It is not a violation of this paragraph if the alarm system becomes temporarily inoperable through no fault of the licensee, provided that the licensee takes reasonable steps to ensure that the alarm system becomes operable within

30 days of having notice of the inoperability.

"(4)(a) A licensee shall ensure that the licensee's business premises, or any place that firearms are sold or otherwise transferred, is monitored by a digital video surveillance system that meets all of the following requirements:

"(A) The system must clearly record images and, for systems located inside the premises, audio, of the area under surveillance.

"(B) Each camera must be permanently mounted in a fixed location. Cameras must be placed in locations that allow the camera to clearly record activity occurring in all areas described in subparagraph (C) of this paragraph and reasonably produce recordings that allow for the clear identification of any person.

"(C) The areas recorded by the system must include all of the following:

"(i) Interior views of all entries or exits to the premises.

"(ii) All areas in which firearms are displayed.

"(iii) All points of sale, in a manner sufficient to identify the parties involved in the transaction.

"(D) The system shall continuously record 24 hours per day at a frame rate of no less than 15 frames per second.

"(E) The media or device on which recordings are stored shall be secured in a manner to protect the recording from tampering, unauthorized access or use or theft.

"(F) Recordings must be maintained for a minimum of five years.

"(G) Recorded images must clearly and accurately display the date and time.

"(H) The system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the system or storage device.

"(b) A licensee may not use, share, allow access or otherwise re-

lease surveillance system recordings to any person except as follows:

"(A) A licensee shall allow access to the surveillance system to an agent of the department conducting an inspection of the licensee's premises, for the purpose of inspecting the system for compliance with this section under circumstances in which a search warrant or court order is not required.

"(B) A licensee shall allow access to the surveillance system pursuant to a search warrant or other court order.

"(C) A licensee may allow access to the surveillance system or may release recordings to any person in response to an insurance claim or as part of the civil discovery process, including but not limited to in response to a subpoena, a request for production or inspection or other court order.

"(c) A licensee shall post a sign in a conspicuous place at each entrance to the premises that states, in block letters not less than one inch in height, 'These premises are under video and audio surveillance. Your image and conversations may be recorded.'

"(d) A licensee shall, on an annual basis, provide certification to the department, in a manner prescribed by the department, that the licensee's surveillance system is in proper working order.

"(e) This subsection does not preclude any local authority or local governing body from enacting or enforcing local laws or policies regarding surveillance systems that do not conflict with the requirements of this subsection.

"(5)(a) A licensee shall carry a general liability insurance policy providing at least $1 million of coverage per incident.

"(b) This subsection does not preclude any local authority or local governing body from enacting or enforcing a more stringent requirement regarding the maintenance of liability insurance.

"(6) A licensee may not sell or transfer a firearm:

"(a) Outside of the licensee's posted business hours, except that a licensee may sell or transfer a firearm at a gun show as defined in ORS 166.432 outside of the licensee's posted business hours.

"(b) To a person the licensee knows or has reason to believe is under the influence of alcohol or a controlled substance as defined in ORS 475.005.

"(7)(a) A licensee may temporarily conduct business at a location other than the place of business designated in the license if the temporary location is within Oregon and is the location of a gun show as defined in ORS 166.432. Nothing in this paragraph authorizes a licensee to conduct business in or from a motorized or towed vehicle.

"(b) When temporarily conducting business under this subsection, the licensee shall comply with all other requirements imposed on licensees by this section. The failure of a licensee to comply with the other requirements of this section while conducting business at a temporary location may result in the licensee's state license being revoked.

"(8)(a) A licensee shall establish and maintain a record book or an electronic record of all acquisitions and dispositions, inventory and other records at the licensee's place of business, in such form and for such a period of time as the department shall require by rule, and shall submit a copy of the records to the department every April and October. The records must at a minimum include the following:

"(A) The make, model, caliber or gauge, manufacturer's name and serial number of all firearms that are acquired or disposed of, recorded no later than one business day after the acquisition or disposal.

"(B) A monthly inventory of firearms acquired but not yet disposed of.

"(C) Firearm disposition information, including the serial numbers of firearms sold, dates of sale, the identity of purchasers and details

of the permit to purchase issued under ORS 166.505.

"(D) Criminal firearm traces initiated by the Bureau of Alcohol, Tobacco, Firearms and Explosives.

"(b) If the records described in paragraph (a)(A) of this subsection:

"(A) Are kept in a record book, the licensee shall maintain a monthly backup of the records in a secure container designed to prevent loss by fire, theft or flood.

"(B) Are kept electronically, the licensee shall back up the records on an external server or over the Internet at the close of each business day.

"(c) A licensee shall maintain the records described in paragraph (a)(B) of this subsection in a secure location.

"(d) A licensee shall maintain the records described in paragraph (a)(C) of this subsection and, unless otherwise provided by law, make the records available at any time to a law enforcement agency and to the manufacturer of the firearm or the manufacturer's designee.

"(e) A licensee shall retain all ATF Form 4437 transaction records in the licensee's place of business in a secure container designed to prevent loss by fire, theft or flood.

"(f) Notwithstanding paragraph (a) of this subsection, a licensee operating a retail location that sells more than 10 firearms per year must implement an electronic record-keeping system to keep track of changing inventory that updates the make, model, caliber or gauge and serial number of each firearm received or sold by the licensee. Each retail sale or purchase must be recorded in the electronic system within 24 hours of the transaction. A shipment of firearms from a manufacturer or wholesaler must be recorded in the electronic system no later than five business days after the shipment is received or within 24 hours after the firearms are entered into inventory, whichever occurs first. The licensee shall maintain the electronic records

described in this paragraph for at least the time period required by 27 C.F.R. 478.129 or any successor federal law regulating the retention of records.

"(9)(a) A licensee shall post, at the site where firearms are sold, displayed or delivered to a purchaser, at the entrance to the site and in at least one additional area where sales occur, a sign that is at least eight and one-half inches by 11 inches, that states in at least 26-point type, 'Warning: If you or a loved one is experiencing distress or depression, call or text 988 to connect with the 988 Suicide and Crisis Lifeline.'

"(b) A licensee shall distribute a notice to each purchaser, at the time of the sale of every firearm, on paper that is at least eight and one-half inches by 11 inches, that states in at least 26-point type, 'Warning: If you or a loved one is experiencing distress or depression, call or text 988 to connect with the 988 Suicide and Crisis Lifeline.'

"(10) The department may adopt rules necessary to carry out the provisions of this section.

"<u>SECTION 7.</u> (1) A licensee shall:

"(a) Maintain for six years copies of all firearm trace requests received, including notations for trace requests received by phone.

"(b) Provide an annual report to the Attorney General concerning trace requests that includes at a minimum the following information:

"(A) The total number of trace requests received;

"(B) For each trace request, the make and model of the firearm and date of sale; and

"(C) Whether the licensee was inspected by the Bureau of Alcohol, Tobacco, Firearms and Explosives, and copies of any reports of violation notifications or letters received from the bureau.

"(2) Beginning no later than January 15, 2027, and annually thereafter, the Attorney General shall publish a report in a manner avail-

able to the public outlining the information provided under this section.

"<u>SECTION 8.</u> (1) A person who is a dealer and who knowingly sells firearms without a valid state license issued under sections 2 and 3 of this 2025 Act commits a Class C felony.

"(2) Any firearm transferred or possessed in violation of this section is an instrumentality of the crime and subject to forfeiture under ORS chapter 131A.

"<u>SECTION 9.</u> (1) Beginning no later than January 15, 2027, and annually thereafter, the Department of Justice shall submit a report to the Legislative Assembly, in the manner provided in ORS 192.245, concerning firearm dealer licensing under sections 1 to 9 of this 2025 Act within the prior fiscal year. The report must include, at a minimum:

"(a) The number of state license applications received, including renewal applications and the number of state licenses granted, renewed and denied;

"(b) The number of state licenses revoked and the reason for each revocation;

"(c) The number of licensee inspections conducted;

"(d) The number of warnings issued to licensees for violating the requirements of sections 1 to 9 of this 2025 Act and the basis for each warning;

"(e) The amount of fees collected and deposited into the Firearm Dealer License Fund established under section 10 of this 2025 Act and the amount expended from the fund; and

"(f) The total amount spent by the department on licensing costs and inspection costs.

"(2) The report described in this section may include information about the race, gender and geographic location of persons who applied

for a state license, including whether the application was granted or denied, and persons whose state licenses were revoked.

"(3) The report described in this section shall be made available to the public no later than three months after submission to the Legislative Assembly.

"SECTION 10. The Firearm Dealer License Fund is created, separate and distinct from the General Fund. The Firearm Dealer License Fund consists of moneys deposited into the fund under sections 2 and 5 of this 2025 Act and any other moneys that the Legislative Assembly may appropriate or transfer to the fund. Interest earned by the fund shall be credited to and deposited in the fund. Moneys in the fund are continuously appropriated to the Department of Justice for the purpose of carrying out the provisions of sections 1 to 9 of this 2025 Act.

"SECTION 11. (1) A state license is required for all dealers to sell firearms, frames, receivers and unfinished frames and receivers in this state on and after July 1, 2026.

"(2) Notwithstanding subsection (1) of this section, a dealer who submits a sufficiently completed application prior to July 1, 2026, may continue to engage in the business of dealing in firearms until the Department of Justice has made a determination on the application. For purposes of this subsection, an application is sufficiently completed if the application includes all information necessary to make a determination that the applicant is eligible for a state license.

"(3) The Department of Justice shall adopt the initial set of rules required by section 2 of this 2025 Act by no later than February 1, 2026.

"(4) A person who is an employee, volunteer or contractor of a licensee on July 1, 2026, and who, in the course of the person's duties, handles a firearm or ammunition or processes the sale, loan or other transfer of a firearm or ammunition shall complete the training course described in section 5a (1)(a) of this 2025 Act no later than July

31, 2026, unless granted an extension by the department.

"(5) A person who is employed by, is volunteering for or is contracted to work with a licensee on July 1, 2026, who is required to obtain a criminal history record check under section 5a of this 2025 Act, and who submits fingerprints for the criminal history record check prior to July 1, 2026, may continue with employment, volunteering or working pursuant to the contract until the department determines whether the employee is qualified for employment.

"(6) The definitions in section 1 of this 2025 Act apply to this section.

"SECTION 12. (1) Section 6 of this 2025 Act becomes operative on July 1, 2026.

"(2) The Department of Justice may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the department, on and after the operative date specified in subsection (1) of this section, to undertake and exercise all of the duties, functions and powers conferred on the department by section 6 of this 2025 Act.

"SECTION 13. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.".